

CITY OF MORENO VALLEY

HOUSING ELEMENT

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February 12, 1991
Revised April 23, 1991

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Introduction

1.0

- 2.1 The first of the following is a list of the names of the people who were present at the meeting on 12th March 1998.
- 2.2 The second of the following is a list of the names of the people who were present at the meeting on 13th March 1998.
- 2.3 The third of the following is a list of the names of the people who were present at the meeting on 14th March 1998.
- 2.4 The fourth of the following is a list of the names of the people who were present at the meeting on 15th March 1998.
- 2.5 The fifth of the following is a list of the names of the people who were present at the meeting on 16th March 1998.
- 2.6 The sixth of the following is a list of the names of the people who were present at the meeting on 17th March 1998.
- 2.7 The seventh of the following is a list of the names of the people who were present at the meeting on 18th March 1998.
- 2.8 The eighth of the following is a list of the names of the people who were present at the meeting on 19th March 1998.
- 2.9 The ninth of the following is a list of the names of the people who were present at the meeting on 20th March 1998.
- 2.10 The tenth of the following is a list of the names of the people who were present at the meeting on 21st March 1998.

This Housing Element has been developed as Section (VI) of the General Plan of the City of Moreno Valley. It incorporates information and programs from the General Plan and additional information and programs to ensure that Moreno Valley's housing programs effectively serve the current and anticipated needs of the people of Moreno Valley. This Housing Element is intended to guide the City's housing-related activities during the period from July 1 of 1989 to July 1 of 1994 and beyond, and to comply with California State Housing Law as of January 1, 1991.

CITY COUNCIL

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Denise Lanning, Mayor Pro-Tem
Cynthia Crothers, Councilwoman
A.F. Chelbana, Councilman
Richard A. Stewart, Councilman

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INTRODUCTION

PURPOSE

The State of California requires that every city must have an approved General Plan to guide its development activities. The plan must contain certain elements. The Housing Element became one of the required elements in 1969.

The Moreno Valley Housing Element is intended to provide citizens and public officials with an understanding of the housing needs of the community and to set forth an integrated set of policies and programs aimed at the attainment of defined goals. To attain the State mandated goal of providing decent housing in a satisfying environment, the Housing Element also promotes closer coordination of housing policies and programs at local, State and Federal levels realizing that the attainment of housing goals depends upon the shared commitment of all levels of government.

LEGAL REQUIREMENTS OF HOUSING ELEMENT

State law passed in 1980 (AB 2853 - Roos Bill) describes the requirements for Housing Elements, the need to include an assessment of regional housing needs, the role of the California Department of Housing and Community Development (HCD) in the review of elements, and procedures and timing for the adoption of the Housing Element.

According to that law, this Housing Element must contain three parts: (1) an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of those needs; (2) a statement of the community's goals, quantified objectives and policies relative to the maintenance, improvement and development of housing; and (3) a program which sets forth a five-year schedule of actions to implement the policies and achieve the goals and objectives of the Housing Element, guided by the following State housing objectives:

1. Provision of decent housing for all persons regardless of age, race, sex, marital status, source of income or other arbitrary factors;
2. Provision of adequate housing by location, type, price and tenure; and
3. Development of a balanced residential environment including access to jobs, community facilities, services.

Chapter 1140, Statutes of 1989, amends housing element law (Section 65583) (c) to require the housing program of an element to include, by January 1, 1990, a description of the use of moneys in a redevelopment agency's Low and Moderate Income Housing Fund if the locality has established a redevelopment project area pursuant to the community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code).

RELATION TO OTHER ELEMENTS

The Housing Element is a basic policy document identifying present and future housing needs and establishing programs and implementation policies which ensure a good faith effort to meet such needs. Within the content of the General Plan, the Housing Element functions as an integral part of a comprehensive growth plan. For instance, projected housing need relates to residential land use acreages and policies which may be needed to accommodate the City's fair share of households within all income levels who might live in the City if market conditions made a variety of housing choices available.

The extent to which the Housing Element is effective depends therefore, upon the strength of the overall General Plan and to the degree to which the Plan is carefully followed. This Housing Element adds further strength to the General Plan without impairing such flexibility. It also brings the community into alignment with State and national efforts to provide a "decent home and suitable living environment for every American family," through this statement of local commitment.

The following mandated General Plan elements have been taken into consideration in conjunction with the Housing Element.

Land Use
Circulation
Conservation

Noise
Open Space
Safety

INFORMATION SOURCES

Because Moreno Valley was incorporated in December, 1984, well after the 1980 U.S. Census, other information sources have been relied upon whenever possible to provide accurate statistical information about population and housing. Updated information related to actual housing units, housing ownership and rental costs, household income and other factors have been used to determine the current housing conditions. Primary sources of information for this Housing Element are the 1988 SCAG Regional Housing Needs Assessment, State Department of Finance yearly estimates, the Center for Continuing Study of the California

2. To assure equal housing choices and opportunities for all households within Moreno Valley and to assure access to housing regardless of race, religion, ethnicity, sex, marital status or household composition;
3. To allow freedom of access and choices for housing consumers in each and every submarket of the City; and
4. To achieve the highest quality living standards throughout the City's housing inventory.
5. The alleviation and prevention of homelessness.

Economy, State Data Center statistical information, the Moreno Valley Planning Department, and the 1989 Moreno Valley Household and Labor Force Analysis Survey, HCD and the Riverside County Department of Economic Development.

REVIEW OF STATE AND LOCAL HOUSING PLANS AND OBJECTIVES

California's State-wide Housing Plan, prepared in 1977, defines the five basic housing issues facing California:

1. Existing neighborhoods and housing should be conserved and improved.
2. The rising cost of new housing should be kept down.
3. Adequate housing for low and moderate income households should be found, and each jurisdiction should meet its appropriate share of regional housing demand.
4. Housing discrimination should be eliminated.
5. Housing information should be available for both developers and consumers.

The State Housing Plan recognizes several important guiding principles, among which is the belief that the private sector is, and should be, the major provider of housing. The government's role is to do what it can to make the private market responsive to the needs of all income, age, race and ethnic groups and to help private industry provide a wide variety of housing types, sizes and prices.

In 1980, Assembly Bill 2853 (Chaptered as Government Code Section 65580 et. seq.) was approved by the State Legislature. Its purpose was to amend and add to Title 7 of the Government Code. The new legislation requires counties and cities to prepare substantially more detailed housing elements.

The Moreno Valley Housing Element has been prepared in compliance with these requirements to the extent that information was available. The Housing Element further supports the State objectives and attempts to address the basic housing issues within the Moreno Valley community with the inclusion of the following goals:

1. To provide, to the extent possible, a decent house for every household within the community at a price/rent that is within affordability standards;

HOUSING NEEDS ASSESSMENT

POPULATION TRENDS AND CHARACTERISTICS

As demonstrated in Table VI-A and discussed in the Community Development Element of the General Plan, the area included in the present City of Moreno Valley experienced a burst of rapid population growth in the 1950's which slowed in the 1960's and 1970's. Since 1980, population growth has been spectacular and unpredictable. After averaging 24.4% from 1980 to 1984, the average growth rate dropped to 15.7% from 1984 to 1986 and then averaged 19.3% from 1986 to 1988. The absolute growth rate from 1986 to 1988 doubled the 1984 to 1986 rate. Moreno Valley has been among the fastest growing medium sized cities (population 50,000 to 200,000) in the State since 1985.

Overall, population within the present Moreno Valley City limits increased by 1,395% between 1950 and 1988. By comparison, Riverside County's population increased by 456% during that period. The result is that Moreno Valley is now the second largest City within Riverside County. The City's proximity to the City of Riverside increasingly lends itself to consideration as the Riverside/Moreno Valley metropolitan area.

Since its incorporation in 1984, the City has been hard pressed to keep up with the increasing demand for public services and facilities. Although new development site dedications and developer fees have provided a major contribution toward filling community and City needs, the rapid expansion of private sector development and construction has often outpaced the systems currently in use. These problems are also magnified by the difficulty of making accurate long-range projections within the framework of unprecedented growth patterns.

TABLE VI-A
HISTORICAL POPULATION GROWTH

Year	CITY OF MORENO VALLEY				RIVERSIDE COUNTY	
	Pop.	% of Total County Pop.	Ave. Annual Growth	Ave. Annual Growth Rate %	Pop.	Ave. Annual Growth Rate %
1950	6,067	3.6%			170,046	
1960	13,291	4.3%	722	11.9%	306,191	8.0%
1970	18,871	4.1%	558	4.2%	456,914	4.9%
1980	25,150	3.8%	628	3.3%	663,923	4.5%
1984	49,702	6.6%	6,138	24.4%	757,500	3.5%
1986	65,380	7.8%	7,839	15.7%	838,474	5.3%
1988	90,675	9.6%	12,648	19.3%	946,074	6.4%
1989	101,289	10.0%	10,614	11.7%	1,014,779	7.3%
1990	114,903	10.4%	13,614	13.4%	1,110,021	9.4%

Source: California Department of Finance.
The Center for Continuing Study of the California Economy.

Population projections for the City of Moreno Valley are available from a number of sources, including the Southern California Association of Governments (SCAG), Urban Land Institute (ULI), and a number of individual marketing projections for Moreno Valley development projects. Year 2000 population projections for Moreno Valley run from a low of 132,580 to a high of 170,780 (see Table VI-B). SCAG Year 2010 population projections range from a low of 180,580 to a high of 247,780. Mid-range population projections, which are normally utilized for planning purposes, indicate a Year 2000 population of 151,680, and a Year 2010 population of 214,180. Thus, an average annual population increase of 4,960 people is projected between 1990 and 2010, twenty-five percent less than the 1980-1986 population growth rate of 6,705 persons per year. Recent growth rates indicate that true population growth will probably be at (and possibly exceed) the high-end projections.

By comparison, SCAG's (1987) Baseline Projection originally projected that in 2010 Moreno Valley will have a population of 163,091 (3,645 persons per year over the 1987 population of 79,700), which was, relative to the General Plan's projections, a significantly lower increase. However, the Baseline Projection was based on a straight line projection of 1970 to 1984 population growth and SCAG has since revised its projection for the year 2010 to 217,200 persons. As previously discussed, the major increase in population growth in Moreno Valley occurred after 1984. Actual population growth between 1986 and 1990 averaged 12,400 per year, bringing the 10-year average growth to 9,000 per year.

TABLE VI-B

CITY OF MORENO VALLEY POPULATION PROJECTIONS

YEAR	HISTORICAL POPULATION			
1950	6,067			
1960	13,291			
1970	18,871			
1980	25,150			
1984	49,702			
1986	65,380			
1987	79,700			
1988	90,675			
1989	101,289			
1990	114,903	(118,779 according to 1990 Census data)		
		LOW-END PROJECTION	MID-RANGE PROJECTION	HIGH-END PROJECTION
1990		84,580	89,180	93,780
1995		108,580	120,430	132,280
2000		132,580	151,680	170,780
2010		180,576	214,180	247,780

Source: Southern California Association of Governments, Urban Land Institute, Economic Overview and Preliminary Land Use Market Analysis.

Physical, social, and market conditions presently affecting the City of Moreno Valley have changed dramatically in the past several years. As a result, the straight line projections of population trends from 1970 to 1984, as used in the SCAG 1987 Baseline Projection, undercount present and foreseeable growth trends. The completion of the Pomona Freeway, providing excellent regional access to the City; development of significant employment centers in Orange, Los Angeles, and more recently San Bernardino counties; rapidly increasing housing prices in Los Angeles and Orange counties; and a shift in development patterns

from coastal to inland areas of Southern California have combined to accelerate growth rates in Moreno Valley and other areas of Riverside County far beyond 1970-1984 trends. The impact of these trends on area growth rates was not fully felt until after 1984.

In preparing population projections for Moreno Valley, the 1980-1986 period was determined to be more representative of future trends. By 1980, an inland shift of development trends was beginning to occur, freeways were in place, and Los Angeles and Orange County workers were finding it difficult to secure suitable housing which they could afford. Also, economic trends over the 1980-1986 period included two recession years with slow growth rates, two moderate years, and two very active years for development. This one-third/one-third/one-third cycle was believed to be an adequate representation of future conditions. A projection of 1980-1986 trends yielded the 6,200 average annual increase utilized in the General Plan.

The projected average annual population growth rate of 6,200 persons per year is roughly consistent with the SCAG-82 Modified Growth Forecast. The portion of Moreno Valley generally north of Alessandro Boulevard is within Regional Statistical Area 46A, for which SCAG predicts an average annual population increase of 3,645. In addition, the residential areas located south of Alessandro are included in RSA 47. By applying a weighted average of RSA 46A and RSA 47 growth rates to Moreno Valley's 1984 population, it was determined that the average annual population increase included in SCAG-82 modified for the portions of Moreno Valley within RSA 46A and RSA 47 was 6,050.

As seen in Table VI-B, SCAG Baseline population projections made in 1987 were already being exceeded by 1988, and the excess seems to increase steadily. It appears that the population and housing supply will reach the lower levels predicted for 1995 during the calendar year 1990. Absolute population growth in 1987, 1988 and 1989 nearly doubled the predicted yearly average, but for long-range projections, the six-year/one-third cycle may be expected to compensate for temporary anomalies such as the phenomenal population growth in 1987 and 1988. As long as housing supplies remain plentiful and local prices stay relatively low compared to Orange and L.A. Counties, population growth can be expected to continue at an exceptional rate.

AGE OF POPULATION

The present age of City residents was estimated based on the 1980 age cohort analysis, and an analysis of in-migration to the City of Moreno Valley, and is presented in Table VI-C. As can be seen, the population of the City of Moreno Valley is young. The median age of Moreno Valley residents (28.1 yrs.) is significantly lower than that of the County (36.1 yrs.)

As identified in the age of population data presented Table VI-C, as well as in the data regarding the number of persons per household, young adults and families comprise a substantial portion of the population of Moreno Valley. An analysis of the changes in the age of population which occurred between 1980 and 1986 indicates that while the elderly comprise a smaller percentage of the City's population (7.5 Percent) than they do of the County's population (estimated at between 12.6% and 13.5% by Dept. of Aging and Census Data Center projections), the elderly sector of Moreno Valley's population is growing at a faster rate than the City's overall population.

In addition, the growth rate of children under the age of 11 was slightly higher than overall growth rates; however, the growth rate of adults between the age of 30 and 44 was significantly higher than the overall rate. It should be noted that while the number of households within Moreno Valley increased by 142.7 percent between 1980 and 1986, the number of families increased by 188.8 percent. This indicates the increasing family nature of the typical Moreno Valley resident, especially young families.

TABLE VI-C
CITY OF MORENO VALLEY
ESTIMATED POPULATION CHARACTERISTICS:
1980 and 1986

	<u>1980</u>	<u>1986</u>	<u>Chg: 1980-1986</u>	
	Number	Number	Number	%
Population	25,515	65,380	40,230	160.0
Pop.in Households	25,138	65,361	40,222	160.0
Households (Hh)	8,324	20,202	11,878	142.7
Families	6,543	18,896	12,353	188.8
Aver. Hh Size	3.02	3.24	0.22	7.1
Aver. Family Size	3.43	3.46	0.03	0.9

Age Distribution

	<u>1980</u>		<u>1986</u>		<u>Chg: 1980-1986</u>	
	Number	%	Number	%	Number	%
0-4 Yrs	2,439	9.7	6,473	9.9	4,033	165.3
5-11 Yrs	3,018	12.0	7,976	2.2	4,958	164.3
12-16 Yrs	2,213	8.8	5,230	8.0	3,017	136.3
17-21 Yrs	2,565	10.2	5,296	8.1	2,730	106.4
22-29 Yrs	4,326	17.2	10,068	15.4	5,743	132.8
30-44 Yrs	4,778	19.0	14,776	22.6	9,997	209.2
45-54 Yrs	2,314	9.2	5,950	9.1	3,636	157.1
55-64 Yrs	1,786	7.1	4,773	7.3	2,987	167.3
65+ Yrs	1,735	6.9	4,903	7.5	3,168	182.6

Source: 1980 Census; CACI Inc.

ETHNIC CHARACTERISTICS

The City of Moreno Valley contains two minority groups who together make up a significant portion of the City's population (see Table VI-D). According to the 1980 Census, and CACI, Inc., (demographic analysts) persons of Spanish origin make up approximately 14% of the City's population (although they may be categorized in other minority groups). Blacks are estimated to make up between 5.8 percent (CACI estimate) and 9.4 percent (Donnelly Demographics estimate) of Moreno Valley's population in 1989. The 1989 Household Survey resulted in a figure of 7.9% (about halfway between the two estimates).

TABLE VI-D
POPULATION BY RACE/ETHNIC BACKGROUND

	1986		1989
	Number	Percent	Household Survey
White	51,650	79.0%	77.2%
Black	5,753	8.8%	7.9%
Hispanic	---	---	10.2%
Native American	654	1.0%	.8%
Asian, Pacific Islander	1,961	3.0%	2.3%
Indian/Pakistani	---	---	1.4%
Other	5,361	8.2%	.2%
TOTAL	65,380	100.0%	100.0%
Spanish Origin*	8,303	12.7%	14.1%

* Spanish Origin includes people who listed themselves in each of the other categories.

Source: 1980 Census, CACI Inc. (1986)
1989 Moreno Valley Household and Labor Force Survey

EMPLOYMENT CHARACTERISTICS

Until the 1970's, Moreno Valley employment and housing was characteristic of a rural/residential economy. Since 1980, the area has increasingly converted into a major suburban residential, community for the L.A./Orange County metropolitan areas.

In 1984, the Riverside County Department of Development calculated that there were .26 jobs per capita in Moreno Valley. By including the 1,468 civilian jobs at the nearby March Air Force Base, the job ratio would have been .36 per capita, roughly equal to the county average. Although both the City and the County are making significant efforts to increase the number of

local employment opportunities, Moreno Valley's phenomenal population growth has kept the ratio of jobs per capita within the City very low.

TABLE VI-E
JOB TYPES OF MORENO VALLEY RESIDENTS

	Moreno Valley	Western Riverside County
Administrative	10%	13%
Administrative Support	9%	13%
Craft	5%	3%
Executive	3%	2%
Fabricator	1%	1%
Laborer	8%	8%
Owner/Operator	2%	5%
Precision Production	3%	3%
Professional	18%	18%
Repair	4%	3%
Sales	8%	8%
Service	13%	11%
Technical	10%	7%
Other	6%	5%

Source: Riverside County Department of Development, Western Riverside County, 1985-1986 Survey of Residents.

The most recent household and employment information is from the Moreno Valley Household and Labor Force Analysis completed in March, 1989, which can be compared with a similar survey of residents by the Riverside County Department of Development in 1985/86.

The scientifically conducted analysis found that 44% of all households had a single income in 1989, 35% had two wage-earners and 6.5% had three or more adult wage earners.

Reflective of the effort by Riverside County and Moreno Valley to increase the number of local jobs, there was a slight drop between 1986 and 1989 in the percentage of those commuting to work in the counties of Orange County (from 12% to 11%), Los Angeles (from 14% to 12%) and San Bernardino (from 15% to 10%). Concurrently, there has been a significant increase in the percentage of those working locally in Moreno Valley and

surrounding Riverside County (from 54% to 66%). Although overall commuting has decreased as a percentage, Moreno Valley's population is growing so fast that the actual numbers of those who commute has increased. Among single-income earners there is a higher tendency to work in Orange or L. A. County, where wages are often higher. Among double-income families, the tendency swings the other way, with a higher proportion working at jobs in the Riverside/Moreno Valley area. Females comprise a large percentage of the resident labor pool working at local jobs: 77% of all working females are employed in Riverside or Moreno Valley.

TABLE VI-F
JOB LOCATION OF MORENO VALLEY RESIDENTS

Location	Jan. - 1986	March - 1989
Riverside County	54%	37.5%
City of Moreno Valley	*	28.8%
Los Angeles County	14%	11.8%
Orange County	12%	11.2%
San Bernardino County	15%	10.2%
San Diego County	3%	.8%
Other	2%	0%

* No information available.

Source: Riverside County Department of Development, Western Riverside County, 1985-86 Survey of Residents.
Moreno Valley Labor Force and Household Analysis, March 1989.

According to the survey, the average commuting time for the 1989 resident labor force is 36 minutes. The average length of time that it takes a male to reach his job is 42.4 minutes; for a female, it is a significantly lower 27.6 minutes. Overall, commute times have improved for both sexes over the last three years, but still require 35% of the employees to spend over the average 36 minutes on the road, twice a day. Furthermore, 26% of

all households contain at least one full-time employee who commutes more than one hour. The percentage of male employees commuting this distance is higher (29%) than the average (22%). Nine out of ten employees drive to work alone, with the tendency to car or van pool increasing only slightly among the commuters.

TABLE VI-G
ONE-WAY TRAVEL TIME TO WORK

	1986	1989
Under 15 minutes	22%	32.1%
15 to 29 minutes	36%	23.3%
30 to 44 minutes	11%	16.7%
45 to 59 minutes	9%	6.8%
1 to 1.5 hours	15%	13.8%
Over 1.5 hours	7%	7.4%
1989 Average:	42.40-Males	27.66-Females
1989 Median:	33.47-Males	19.30-Females
1989 Overall	AVERAGE:	36.28 minutes

Source: Moreno Valley Household and Labor Force Analysis, 1989.

Household Income

As indicated in Tables VI-H and VI-I, the median income in Moreno Valley is above that of Riverside County, and is rising faster than the County average. Whereas Moreno Valley's median income was 4.8 percent greater than the County's in 1980, by 1986, Moreno Valley's median income was 14.6 percent greater than the County's. Within the next five years, it is projected that the median income of Moreno Valley residents will increase to 28.9 percent more than the Riverside County median.

Based on the household income data, it is estimated that, as of January 1986, 19.1 percent of Moreno Valley households (3,864) were within the Very Low Income category, defined as households having an income of less than 50 percent of the County median

income (see Table VI-I). A total of 3,065 households (15.2 percent) were considered to be in the Low Income category, defined as households with incomes between 50 and 80 percent of the County median income. Over two-fifths of the City's households -- 44.6 percent (9,006 households) -- were in the upper income category, defined as households earning more than 120 percent of the County median income.

TABLE VI-H

MORENO VALLEY AND RIVERSIDE COUNTY HOUSEHOLD INCOME					
Income	1986		Estimated 1991		
	Number	%	Number	%	
\$ 0 - 9,999	2,826	14.0%	3,543	11.7%	
\$10,000 - 14,999	1,918	9.5%	2,513	8.3%	
\$15,000 - 24,999	4,379	21.7%	5,693	18.8%	
\$25,000 - 34,999	4,016	19.9%	5,511	18.2%	
\$35,000 - 49,999	3,834	19.0%	6,238	20.6%	
\$50,000 - 74,999	2,442	12.1%	4,481	14.8%	
\$75,000 and up	787	3.9%	2,301	7.6%	
Total	20,202	100.0%	30,280	100.0%	

Median Income	1980	1986	Estimated 1991
Moreno Valley	\$16,800	\$27,424	\$31,154
Riverside County	\$16,037	\$23,932	\$24,170
Moreno Valley as percent of County	104.8%	114.6%	128.9%

Source: 1980 Census, CACI Incorporated

As shown in Tables VI-H and VI-I, household income is expected to increase faster in Moreno Valley over the next five years than it is County-wide. Thus, by 1991, the proportion of Very Low income households within Moreno Valley is expected to decrease from 19.1

percent to 15.6 percent, while the proportion of Upper income households increases from 44.6 percent to 49.3 percent.

TABLE VI-I
HOUSEHOLD INCOME
DISTRIBUTION BY CATEGORY, 1986 AND 1991

	<u>1986</u>	<u>Estimated 1991</u>	<u>Change 1986-1991</u>
Very Low (0% - 50% of County median)	3,864 19.1%	4,729 15.6%	865
Low (50% - 80% of County median)	3,065 15.2%	5,075 16.8%	2,010
Moderate (80% - 120% of County median)	4,267 21.1%	5,544 18.3%	1,277
Upper (Over 120% of County median)	9,006 44.6%	14,932 49.3%	5,926
Total	20,202	30,280	10,078

Source: 1980 Census: CACI Incorporated

By way of comparison, the 1989 Moreno Valley Household and Labor Force Analysis telephone survey of 1,500 households reported a much higher percentage of households earning less than \$15,000 and households earning more than \$50,000 than would be expected based on the previously cited 1980 census and CACI data. The median household income among those interviewed was \$37,800 (112% of the County median for a 4 person household). But 30.4% reported a household income of less than \$15,149 (45% of the County median income) and 32.5% reported a household income of more than \$50,000 (132% of the County median). Fifty-two percent of households with income over \$50,000 contain two or more full time employees. The results of the 1989 survey are included here in Table VI-J solely as an indication that some data extrapolated from the 1980 Census may be inaccurate due to the very high influx of new residents during the last decade. A clearer picture may be available when detailed information from the 1990 census is released.

TABLE VI-J

CURRENT HOUSEHOLD EARNINGS MARCH - 1989
(PHONE SURVEY OF 1,500 HOUSEHOLDS)

\$ 0 - \$15,149	30.4%
\$15,150 - \$24,239	3.7%
\$24,240 - \$36,359	11.5%
\$36,360 - \$39,999	10.8%
\$40,000 - \$49,999	11.1%
\$50,000 - \$59,999	7.4%
\$60,000 - \$69,999	10.3%
\$70,000 - \$79,999	4.5%
\$80,000 and over	10.3%
	100.0%

Average HH Income \$49,500

Median HH Income \$37,800

* Riverside Co. Median HH Income
(4 person HH) \$33,800

Source: Moreno Valley Household and Labor Force Analysis, 1989,
The Easton Group
*State Dept. of Housing and Community Development,
1990

Household Size and Numbers

According to the California Department of Finance, there were an estimated 20,202 households in Moreno Valley in 1986, an increase of 142.7% over 1980. As seen in the previously cited Table VI-C, the population in households increased by 160% during the same period, thus increasing the average household size from 3.02 to 3.24 persons. This compared with an average household size of 2.72 for Riverside County. The growth in household size is understandable in the light of the fact that the 30 to 44 year old group which is more likely to be raising a family is by far the fastest growing segment of the population, apparently attracted to Moreno Valley by the lower housing costs and suburban lifestyle. The number of families increased by 188.8% from 1980 to 1986. The fact that average family size in Moreno Valley increased by only 0.9% while average household size increased by 7.1% corresponds with the fact that families comprised 93.5% of households in 1986 but only 78.6% in 1980.

Homeowner/Renter

Information from the 1980 Census and CACI, Inc. indicates that in 1986, 64.3% of the 20,202 households in Moreno Valley owned their home, while 35.7% were renters. In the Household and Labor Force Analysis Survey conducted by telephone in March of 1989, 82% of the 1,500 randomly-selected interviewees owned their own home. (See Table VI-K)

TABLE VI-K
HOUSING TENURE

	1986		1989	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Total Housing Units	23,251	100.0%	32,173	100.0%
Total Occupied Units	20,202	86.9%	31,221	97.04%
Vacant	3,049	13.1%	952	2.96%
Owner Occupied	12,990	64.3%	(25,601*	82.0%)
Renter Occupied	7,212	35.7%	(5,620*	18.0%)

Source: 1980 Census, California Department of Finance (*1989 Household and Labor Force Analysis Survey statistics)

Special Housing Needs Groups

Population groups with special housing needs include handicapped persons, the elderly, large families, and farmworkers. In many instances, these groups have the additional problem of additional living expenses or financial burdens which reduce discretionary income and makes them less able to influence the supply of housing available in the marketplace to meet their specific needs. Other groups that may share their disadvantage in the housing market include female-headed households, the homeless and minority households. For this reason, the special needs of such groups (especially the lower income segments of these groups) are specifically addressed within the Moreno Valley Housing Element.

TABLE VI-L
HOUSEHOLD CHARACTERISTICS

	1986 Number	1989 Number
Total Persons	65,380	101,289
Total in Households	65,361	101,270
Total Number of Households	20,202	31,221
Total Number of Families	18,896	NA
Persons per Household	3.235	3.244
Persons per Family	3.46	NA
Estimated Number of Households With:		
Five or More Persons	3,313	5,120
Female Head	4,343	6,712
Female Family Head	2,242	3,465
Handicapped Member	5,192	8,023

Source: 1980 Census, California Department of Finance
Center for Continuing Study of the California
Economy

Handicapped Persons/Households

Questions regarding the total number of households with a handicapped member were not included in the 1980 Census. However, questions were asked to the 16 to 64 age group concerning work and transportation disabilities, and the 65 and older age group was asked questions regarding transportation disabilities. The County of Riverside used the 1978 Special Census in conjunction with the 1980 Census to determine the number of households with a handicapped member in preparing its 1984 Housing Element. Based on that analysis, it is estimated that as of January 1, 1989, there was a potential of 8,023 households (25.7 percent) within Moreno Valley which may contain one or more handicapped members. Records of the Federal Social Security Administration show that, in December 1988, a total of 675 disabled low-income persons with

Moreno Valley zip codes received supplemental security income payments. They also listed 586 disabled persons on the Social Security roles for the same period (an undetermined number of these persons received payments from both programs).

Housing needs of households with handicapped members are generally related to affordability and access. Due to the generally limited income of this group, housing affordability is a major factor in the choice of housing, assuming that these persons are able to choose to live independently of extended households or group care facilities.

According to the State Department of Rehabilitation, the largest proportion of handicapped persons in Riverside County have a skeletal or muscular disability. Whether or not a handicapped person chooses to live independently, the physical accessibility of the dwelling is a major consideration in the adequacy of housing. Depending upon the type of disability, accessibility may entail access to the unit itself as in the case of persons in wheelchairs who may require ramps or other special facilities. Accessibility may also entail the placement of fixtures within a dwelling (such as light switches, faucets, restroom facilities, bathtubs, etc.) so as to facilitate use by disabled persons. It should be noted that fixtures can generally be retrofitted onto existing structures, although they can be installed at less cost during construction. In addition, it should be noted that many of the fixtures necessary for handicapped persons are similar to those required by the elderly who may also suffer from lack of mobility.

Elderly-Headed Households

As indicated in Table VI-C, the Moreno Valley population age 65 and above increased from 1,735 (6.9%) in 1980 to 4,903 (7.5%) in 1986. Extending CACI's calculations to 1989 indicates that 7,900 persons in Moreno Valley (or 7.8% of the population) are over 65 years of age. This compared with a county-wide ratio of approximately 13%. A further indication of the "aging" of Moreno Valley's population comes from responses to the 1989 Household and Labor Force Survey where 8.8% of household wage-earners were indicated to be 65 years or older.

Several assumptions and statistical data, including the 1989 Household and Labor Force Analysis, may be used to calculate the ratio of home ownership among seniors. During the three years from 1986 to 1989, the population percentage who had moved to Moreno Valley from Orange and Los Angeles Counties and from out-of-state increased dramatically while residents who had moved from Riverside County decreased. At the same time, the percentage of seniors increased slightly, and the percentage of home ownership increased from 64% to 82%. Although, beyond a

certain age, limited-income seniors may be inclined to take equity out of home ownership and become renters, the various combined changes seem to indicate that many seniors are taking equity out of more costly homes in Orange and Los Angeles Counties and purchasing less expensive homes in Moreno Valley. It would seem safe to assume that the ratio of home ownership among seniors is as high or higher than that of the general population (i.e. 82% owners; 18% renters in 1989), indicating that 6,478 seniors live in their own home while 1,422 live in rented housing.

As indicated in the earlier discussion of the age of Moreno Valley population, elderly persons make up a small percentage of the City's population. Although information on the number of Moreno Valley households which are headed by elderly persons is somewhat difficult to reliably interpret from available data, the city-wide age breakdown would indicate that the number of elderly-headed households is similarly small. However, it should be noted that the number of elderly residents within Moreno Valley is increasing at a faster rate than the general population, and is expected to continue doing so in the future as the community matures. Persons approaching retirement age will continue to be attracted to live in Moreno Valley for some of the same reasons that attract young families - primarily lower housing costs and the suburban quality of life. Thus, housing for the elderly will become an increasingly important issue for Moreno Valley.

It is therefore important to understand that housing for the elderly is not only a process of physically building housing structures, but is also a social process. Special concerns of the elderly and factors which affect them need to be considered in project design and review. The more significant factors include:

- o Elderly people move less often than younger age groups. The dwelling unit, including rental units, should be conceived of as home, not as transient housing.
- o The elderly desire autonomy and an environment which extends and enhances the time span of independent living. In order to enable the elderly to achieve this, they need convenient services, especially full service shopping and health care facilities, social service and activity centers and public transportation. The design of individual facilities must emphasize the elimination of the physical barriers that would otherwise impede access by the elderly.
- o The definition of the activity pattern for an elderly person should not be based on the assumption that the basic living activities are different from those of a younger person.

- o While security, safety and quiet are important, the elderly wish to be a part of the community. They should not be located on physically or socially isolated parcels.
- o The elderly are concerned about physical and psychological security to a greater degree than younger people.

Several specific factors of special concern at the community-wide or regional scale are related to the success of senior citizen housing. Major medical facilities should be available within 20 minutes driving radius and should be connected to housing sites by a public transportation system. This is not presently the case within most of Moreno Valley but will change with the recent completion of a hospital within the community. In addition, ambulance service must be available.

Opportunities for public involvement should also be available to elderly residents through existing facilities. Examples of such facilities include library, museum, churches, social services, community centers, historical society, YMCA, community parks, and similar facilities. These opportunities should be readily accessible for public transportation.

Large Families/Households

According to the 1980 Census, approximately 16.4 percent of the households within Moreno Valley were considered "large households" having five or more members. Projecting 1980 data to 1989, it is estimated that 5,120 households had five or more members in 1989. Assuming consistent ownership and rental patterns, approximately 4,096 are homeowners (80%) and 1,024 (20%) are renters.

Housing needs of large families are generally related to affordability and the ability to find housing of sufficient size. Affordability can be assumed to be a factor in housing needs, due to the higher proportion of income used by larger families for non-housing expenses (e.g. food, clothing, etc.) as compared to households of smaller size. Consequently, larger families have a smaller proportion of their income available for housing, with the result that affordability becomes a more significant factor in housing choice.

Due to the number of persons in a larger household, housing of sufficient space must be located in order to avoid overcrowding. Because housing aimed at households of typical size (two to four persons) predominates the market, larger households may experience difficulty locating housing of sufficient size. It should also be noted that larger-sized housing which could

accommodate larger households is generally more costly, exacerbating affordability as a housing issue. Additional space in the form of bedrooms and bathrooms, without the added cost of amenities, is the primary need of limited-income larger households.

In the absence of other indications to the contrary, it is assumed that large families are equally likely to own their home as are other households.

Farmworkers

As discussed in the Moreno Valley General Plan, prior to the 1950's, the area which now makes up the City of Moreno Valley was primarily an agricultural community. Moreno Valley is part of Riverside County's "Alessandro District" which covers agricultural production throughout the western portion of the County. Production and value statistics are not available for Moreno Valley's share of the District's production; however, a 1986 Moreno Valley land-use survey found there to be 130 acres of grazing, 3,521 acres of dry farming (grains) 355 acres of productive citrus and avocado groves and an unspecified acreage of irrigated vegetable crops within the Moreno Valley and surrounding study area. In 1989, 532 acres of agricultural land within the Moreno Valley City limits were still taxed at their agricultural value under the Williamson Land Conservation Act of 1965. With the present development trend and increasing land values, much of the agricultural land in and around Moreno Valley will soon be taken out of production. The 532 acres of Williamson Act land was not renewed in 1987, essentially serving notice that it would be removed from Agricultural usage by 1996 or before.

In the 1980 Census, 6% of the population of Riverside County were listed as being employed in agriculture and forestry. We may safely assume that the absolute number of farmworkers in Moreno Valley has declined dramatically since 1980, and their percentage of the population even more so. It is estimated that less than 300 residents of Moreno Valley are categorized as farmworkers (about .3 percent). This conclusion is reinforced by the extensive Western Riverside County Agricultural Worker Survey completed in August of 1989 for the Riverside County Housing Authority. Although it did not establish an absolute number of farm workers in the Moreno Valley Area, the study showed that due to the decrease in farmworkers and the small number of permanent and seasonal farmworkers in the Riverside Metro Area (Study Area #1) which included Moreno Valley, this area had the least imbalance of worker housing of the six areas in western Riverside County. The study also showed that the decrease in farmworker population will continue with as much as 50% of current agricultural land to be taken out of production over the next five years.

Female Headed Households

Based on the 1980 Census and data from the Department of Finance, there were 6,712 female-headed households in Moreno Valley in 1989. The special housing needs of female-headed households are generally related to affordability since such households generally have lower income than the average household. Of the female-headed households, 3,465 were families headed by a single woman, indicating a need for affordable local child care facilities and services as well as affordable housing. The County Department of Public Social Services reports that 5,446 single-parent families from Moreno Valley received some type of welfare assistance in 1989.

Homeless/Emergency Shelter Needs

The most serious housing problems in the state are those of persons who have no home at all, the homeless. There are many definitions of homelessness. One of the most widely accepted is "a person who is unable to maintain a residence of their own." This includes people in homeless shelters as well as those living without any shelter. Homelessness may be a temporary, short-term or a long term situation. A 1987 report by the Health and Welfare Agency estimated the statewide homeless population to be approximately 100,000; not including an estimated 46,000 undocumented workers. The County and Department of Community Action estimates 3,000 people are homeless in Riverside County.

California's homeless problem is exacerbated by the shortage of affordable rental units and low cost housing that has not kept pace with population increases. Affordable is defined by HCD as equivalent to 25 percent of a household's income although contemporary opinion (and federal programs) allow up to 30% or more. It is estimated that 10 percent of the population is at "risk" of becoming homeless because of over-extension of debt. Others that are at risk are those who are doubling up with friends or family, motel populations with limited stay, and recipients of Aid to Families with Dependent Children (AFDC) whose stipend has been canceled twice within one year because there was no forwarding address.

A Legislative Analyst's report indicates that there are four major factors that have contributed to an increase in the State's homeless population. These changes have been summarized as follows:

- ° There has been an increase in the number of people in California having incomes below the federal poverty income guidelines.

- ° The cost of housing, even that which is relatively low and moderate cost, has out-paced income. Increased rent has in some cases pushed poor people out of their permanent housing.
- ° There is a lack of availability of low-cost housing units. Many single-room occupancy hotels which provided inexpensive shelter have been destroyed during redevelopment projects.
- ° Family break-ups are more prevalent, sometimes leading to homelessness.

The homeless problem will not go away unless low-cost affordable housing is provided. Homelessness requires a three-tiered approach. First, emergency shelters must be available for the immediate and temporary needs of the homeless. Second, transitional housing is needed to provide stability until the person or family gets "back on its feet." Lastly, the provision of low-cost affordable housing must be encouraged if the homeless problem is to be solved.

Although Moreno Valley's unique growth and population patterns have, until recently, deferred and obscured local occurrence of homelessness, the state and county have always had homeless. In recent years the characteristics have been changing. The stereotypical alcohol or drug addicted, transient male is no longer the only type of homeless person. A rapidly growing group consists of physically and mentally handicapped, single women, families with children, the elderly and single males. The reasons for homelessness are as diverse as the group. They might include families who have had a financial set-back, runaway youths, women and children escaping an abusive or violent home environment, or the unemployed. It is estimated that 60 percent of the overall homeless population consists of single persons and 40 percent consists of families.

The homeless that are single tend to be more mobile than families who generally stay longer in the area in which they became homeless. When the risk or the reality of becoming homeless arises, newly-arrived persons or families find it easier to move back to former locations or to new locations than do more settled residents.

In early 1990, the Moreno Valley Office of Public Safety conducted an extensive study of the homelessness situation in Moreno Valley, including information from Riverside County Community Action Agency, Homeless Services, the Moreno Valley Police Department, Parks and Maintenance, Senior Center and Library as well as a number of local non-profit social service agencies. From the survey conducted, it was concluded that Moreno Valley contained less than 30 long-term homeless during the winter months, with the

possibility of an increased number of transient homeless during the warmer months. The Sunnymead Park and Postal Avenue areas seem to be the areas of most obvious concentration of Moreno Valley's homeless, although homeless individuals and families are occasionally found to utilize JFK Park, public parking lots, abandoned buildings on Sunnymead Boulevard, the alleyways behind Alessandro Boulevard near Highway 215, and the City's wildland areas.

The Fairmont Park Armory in Riverside is used by the County Homeless Shelter Program run by the Community Action Agency to provide emergency homeless shelter for the Riverside/Moreno Valley area during the coldest months. Of the 3,117 bed-nights provided in January of 1990; 78.5% were males, 17% were females and 4.7% were children. No breakdown is available as to the percentage originating in Moreno Valley. The program expects to house an average of 120 persons per night during the winter months.

Other facilities located in Riverside that provide homeless shelter to persons from Moreno Valley include:

The New Life Shelter (52 beds, expects to have 100 beds by 1991, singlemen only; nightly basis; estimates that less than 5% of the clients come from Moreno Valley; experienced 60 to 80 bed shortfall during the coldest nights of 1989, but has excess capacity in summer).

The Genesis Shelter (40 beds plus 32 to be added in 1990; families and single women on a weekly basis, up to 2 months; serves about 400 individuals per year with approximately 10% from Moreno Valley; estimates that a total of 200 to 350 beds would be needed to satisfy all of its current requests for assistance).

I Care Shelter (capacity of 30 to 40; persons, families and single women only, for up to 60 days; provided 1,600 shelter/nights to Moreno Valley homeless in 1989).

Based on a simple analysis of the previous information and interviews with homeless services and shelter providers, it appears that instances of homelessness in Moreno Valley may involve 100 or more persons per year, with more than half of these being families and single women. The most critical year-round need regionally seems to be for emergency and transitional housing for families and women, with the need for emergency shelter for single males being seasonally weighted to the winter months. This analysis fits with other housing element data which indicates a high percentage of families and female-headed households and a predominance of single-family, owner-occupied dwellings in the housing supply.

To meet this relatively low current level of need, the most efficient immediate program is for the City of Moreno Valley to continue to support the maintenance and expansion of regional

service facilities now operating in nearby locations and to initiate a program to mitigate any lack of public transportation connecting Moreno Valley with homeless shelter locations.

On a longer term, Moreno Valley can expect to experience an increasing number of homeless of all types as the City becomes more urban in nature and public transportation improves; as the population increases with its concurrent increase in domestic strife and family economic reversals; as the percentage of low-income-affordable and smaller dwelling units is reduced; and as older affordable units are removed from the housing supply. Local shelter providers indicate that Moreno Valley exhibits a higher-than-average occurrence of families as a percentage of the homeless population. Families with children are less mobile than single adults (especially single males) and thus are more likely to require assistance in the local community when homelessness does occur. Combined with the current regional unmet demand for transitional family shelter, this anticipated need should receive a high priority in the development of future homeless facilities in Moreno Valley.

At the current level of demand, the continued support of shelter operations that are already functioning is the most effective and efficient use of the City's resources. At the same time the City needs to begin to work toward a unified coordination of homeless services, and analysis of the types of homelessness encountered, in preparation for the creation of a shelter in Moreno Valley.

Military Personnel

In 1989, approximately 4,100 military personnel (plus approximately 5,100 dependents) were stationed at March Air Force Base, located between the cities of Moreno Valley, Riverside and Perris. The Base Housing Office estimates that 1,150 military families plus 550 single personnel are housed in the surrounding communities (mostly in Moreno Valley, with lesser numbers in Perris and Riverside). An Air Force study in January 1990, demonstrated that the base needed 2,200 units of affordable family housing, beyond what is currently available on-base. Airmen who live off-base receive additional pay to aid them in paying for housing; the amount of money they receive depends on rank. In addition, because of the high cost of housing in Riverside County compared to national averages, airmen residing off-base also receive a "Variable Housing Allowance".

Married personnel below the rank of E-4 (with less than two years of service) are not eligible for on-base housing. They and other families living off-base must seek housing in neighboring communities which is within their budget and suits their needs. Very few military families have sufficient incomes to afford to

purchase housing in this area. Those that can afford housing are mostly senior officers and those nearing retirement. Consequently, most military families are renters. Low military pay scales, even when supplemented by housing allowances, make it difficult for lower-rank military families to easily afford even local rental rates. Changes in the national budget may mandate the relocation of a number of Air Force Space and Missile operations from L.A. and Norton Air Bases to March AFB. This could entail the relocation of as many as 7,000 to 8,000 jobs involving 2,000 military personnel. Although the Base Housing Office plans to construct new on-base housing, there would be a greater need for off-base housing that is affordable to lower ranking personnel, if the move is made.

HOUSING STOCK CHARACTERISTICS

A primary task of the Housing Element involves evaluating the present housing supply in terms of its ability to meet the needs of the community. State Law requires that the housing supply must be assessed by type and tenure of units, housing stock conditions, vacancy rates and overcrowding.

Total Housing Stock Quantity and Type

As shown in Table VI-M, the housing stock in Moreno Valley is very heavily dominated by single family detached units, the stock of which has continued to increase at a faster rate than other types of housing. According to the California Department of Finance, there were 23,251 housing units within the City of Moreno Valley as of January 1, 1986 and 32,173 units as of January 1, 1989. 84.5% of these units were single family detached (27,191) and an additional 1.6% (499 units) of the total were attached single family units. Mobile homes made up 3.4% of the housing stock (1,182 units).

The proportion of attached multi-family housing in 1989 (10.3%) is lower than it was in 1980 (18.8%). It is also much lower than the proportion of multi-family units county-wide (21%). The increasing proportion of single family units is reflective of the market demand driven by the large number of young families, seniors, and working adults within 12 years of retirement from Los Angeles and Orange Counties seeking to purchase less expensive housing in Moreno Valley.

TABLE VI-M
HOUSING STOCK

	<u>Jan. 1986</u> %		<u>Jan. 1989</u> %	
Total Units	23,251	100.0%	32,173	100.0%
Occupied	20,202	86.9%	31,221	97.0%
Vacancy rate		13.1%		3.0%
Single-Family	19,474	83.8%	27,690	86.1%
Attached	499	2.1%	499	1.6%
Detached	18,975	81.6%	27,191	84.5%
Multi-Family	2,689	11.6%	3,301	10.3%
2 to 4 Units	1,078	4.6%	1,098	3.4%
5 Plus Units	1,611	6.9%	2,203	6.8%
Mobile Homes	1,088	4.7%	1,182	3.4%

Source: California Department of Finance

Housing Stock Additions 1-1-89 to 1-1-90

	Jan. 1	Added	Dec. 31
Single Family	27,690	2,927	30,617
Multi-Family	3,301	27	3,328
Mobile Homes	1,088	96	1,184

Source: Moreno Valley Planning Dept.

The increase in the housing stock between January 1, 1986 and January 1, 1989 represents a total increase of 38.4% (or an average annual increase of 2,974 units per year).

The City's total housing stock as of January 1, 1989 consisted of 32,173 residential dwelling units, 27,191, (84.5%) of which were single-family detached units. Mobile homes represented 1,126 units, or 3.4% of the total housing stock (down from 4.7% in 1986). Multi-family units dropped from 11.6% to 10.3% of the housing stock during the same 3 years, although the absolute number increased by 612 units.

An important recent trend in the Moreno Valley housing market which goes hand-in-hand with the increased construction of single-family detached dwelling units is its expansion into the move-up market. Housing within the Sunnymead Ranch and Moreno Valley Ranch planned communities, as well as numerous tracts along the north side of Ironwood and large-lot tracts in the eastern portion of the City, generally feature larger homes with greater amenity packages than were offered in housing tracts earlier in the 1980's. This trend is also reflected in the fact that the average value of building permits for new residential construction is higher than the county average.

TABLE IV-N

CITY OF MORENO VALLEY RESIDENTIAL BUILDING (PERMITS) ACTIVITY
(January 1986 through September 1988)

	1986	1987	Jan 1988-Sept 1988
Building Type	Number	Number	Number
New Single Family (1)	3,824	2,082	2,602
Multi Family	388	224	524
Total	4,212	2,306	3,126

(1) Includes Mobile Homes

Source: City of Moreno Valley Building Department, Security Pacific Corporation, and Riverside County Department of Development

Housing Tenure

As discussed under Population Profile (Table VI-K), there is strong indication that the percentage of owner-occupied units has risen dramatically in recent years. In 1986, the Department of Finance estimated that 64.3% of units were owner occupied; CACI's 1988 Sourcebook shows nearly 73% of units as owner-occupied; and information from the 1989 Moreno Valley Household and Labor Force Analysis Survey indicates that approximately 82% of City households (who have a telephone) live in their own home. This trend would tend to correspond to the higher percentages of single family detached housing being constructed in recent years (Table VI-M).

Vacancy Rates

Generally, a vacancy rate of 4 to 6 percent is considered ideal. A lower vacancy rate usually indicates a constrained market in which housing cannot or is not being produced in sufficient quantities to meet demand and is an indication that adequate housing choice is not available in the community. A vacancy rate in excess of 6 percent can occur for several reasons. High vacancy rates generally indicate that: 1) housing is being overproduced, 2) a significant portion of a community's housing is in seasonal units, or 3) that the community is suffering from economic distress.

As demonstrated in Table VI-M, the estimated vacancy rate of Moreno Valley housing has fallen dramatically from 13.1% in 1986 to 3.0% in 1989. Moreno Valley's high vacancy rate in 1986 (13.1%), however, was indicative of the large number of new dwelling units which were completed, or sold, but which were not yet occupied. This is not unusual for rapidly growing communities such as Moreno Valley. A review of 1980 and 1985 housing data identified vacancy rates as being 11.3% and 12.8% respectively. The much lower current rate estimate by the California Department of Finance is also reflected in the 1988 SCAG Regional Housing Needs Assessment which lists the Moreno Valley vacancy rate as (2.8%), and the Housing Vacancy Survey of Riverside-San Bernardino Counties conducted in May 1988 by the Federal Home Loan Bank of San Francisco (2.5% vacancy rate, plus units under construction).

Substandard and Unsound Units

Due to the relatively low-age of most of the City's housing stock, unsound housing (those dwelling units in need of replacement or repair), is relatively minor housing problem in Moreno Valley. The 1978 Riverside County Special Census, 1980 Federal Census, the 1984 Riverside County Housing Element, and brief windshield surveys were used to estimate the number of unsound units within the City of Moreno Valley.

The 1978 Special Census defined a unit as deteriorated if one or more of the following conditions exist:

- o Lack of electrical service;
- o Lack of plumbing facilities;
- o Lack of heating, cooling, or insulation;
- o Lack of kitchen or bathroom facilities;
- o Lack of maintenance (i.e. leaky roof, broken windows etc.)

Based on the 1978 Riverside County Special Census, 1980 Federal Census, and the 1984 Riverside County Housing Element, it is estimated that 94.8 % of the existing housing units within the City of Moreno Valley were of sound condition in 1986. An estimated 1,205 units were therefore in need of replacement or repair.

Based on County-wide data, 64.8% (781 units) of unsound units should be suitable for rehabilitation, and the remaining 424 units were in need of replacement.

The age of housing in the City is an important characteristic of the housing stock because it indicates the relative condition of housing. Many Federal and State programs use age of housing to determine housing needs and the availability of funds for housing and/or community development. For those purposes the most significant measure of the age of housing is the number of units built before 1960. The design life for major components of an average quality housing structure ranges from 20 to 30 years for such items as roofing, plumbing, paving and electrical. The replacement or major refurbishment of such components within the above time-frame normally should be undertaken in order to maintain a decent and safe place to live. In contrast, housing units less than 20 years of age are not likely to require major rehabilitation improvements.

From available historic growth data, it is clear that less than 4,200 housing structures existed in the Moreno Valley district in 1960, with approximately 1900 units built before 1950. Considering the probability of replacement of the oldest units over the past 30 years, it is apparent that well under 4,000 units of the current housing stock is likely to be 30 years old or older. The current population boom should help provide motivation for the renovation of older units, although the highly competitive new-housing market may reduce the overall effect.

Overcrowding

Overcrowding is a measurement of the adequacy of dwellings to accommodate residents. The basic standard used to determine overcrowding is that the number of persons per room within a unit should be 1.00 or less. Housing with an occupancy of 1.01 to 1.50 persons per room is considered to be slightly overcrowded, while housing with 1.51 person per room or more is considered to be severely overcrowded.

In many cities, overcrowding has occurred in an effort by low-income residents to reduce housing costs. This has resulted in impact to city services and the general quality of life.

As discussed under Population Characteristics and Trends, the average number of persons per household increased from 3.02 to 3.24 between 1980 and 1989 and is considerably higher than the county average of 2.76 persons per household. This increase is consistent with the concurrent increase in the ratio of families to households (Table VI-C). Although the ratio of senior citizens (who generally have fewer persons per household) has increased from 6.9% to 7.8%, it is more than balanced by the increase in families.

The 1980 Census identified 94.6% of the City area's housing as not being overcrowded. This figure shows no change from the 1970 Census. Data regarding the breakdown of those overcrowded units within Moreno Valley relative to severity of overcrowding is not available. A linear projection of 1980 data to 1989 would indicate that 1,686 dwelling units within the City of Moreno Valley are presently overcrowded. However, the increased production of larger single-family dwellings in the last decade and the fact that Moreno Valley's median income is higher than the County average and continuing to increase, leads to the conclusion that overcrowding is considerably less common than indicated by the 1980 Census. Where overcrowding does occur in Moreno Valley, it is more likely to be a result of low income and/or unusually large family size in combination with the limited availability of rental units. Overcrowded households normally include a high percentage of low-income and single-parent families.

Based on this information, it is estimated that 1,200 dwelling units within the City of Moreno Valley may presently be overcrowded. In the absence of statistical data to the contrary, it seems likely that these overcrowded households are more apt to be renters than is the general population, perhaps even reversing the 80% to 20% ownership ratio of the City. For purposes of calculation, it is arbitrarily assumed that 70% of overcrowded households in Moreno Valley are renters.

Housing Affordability/Overpayment

Housing affordability relates the required outlay of income for housing relative to household or family income. The required cost for owning or renting a dwelling is determined by the availability, selection and price of housing in the market place. The relationship between cost and income provides a benchmark for determining future housing needs.

Traditionally, Moreno Valley has been known for its relatively affordable prices. In fact, housing value is most often cited as an important factor in Moreno Valley residents' decision to move into the area. Moreno Valley housing values are evident not only at the lower end of the market, but also in its move-up housing market.

Prices for both new and existing housing units within Moreno Valley fall into a broad range, depending on age, condition, and location. The price and market for housing is generally divided between the developed northern and southern portions of the city area along the Moreno Valley Freeway (Highway 60), according to local real estate professionals.

Housing in the northern portion of the city has been selling for higher prices than in the southern portion. This is generally because the dwellings north of the freeway tend to be larger, and because the northern portion of the city is elevated above the valley, providing greater opportunities for view lots. Another influence on the difference in housing prices is increased cost of construction in the rocky portions of the hillside areas north of the freeway.

The differences in housing price are clearly discernible in the average resale price for homes in each area. According to Moreno Valley real estate professionals, based on recent resale activity, the average three-to ten-year-old home in the southern portion of the City sells for between \$75,000 and \$90,000. By comparison, homes in the northern portion of the City sell for up to \$125,000 to \$175,000. In the first half of 1990, the average selling price of new houses has been \$170,000.

The rising median income indicates that many new households are well above the County and City median and thus have increased chances of avoiding overpayment. There may, however, be an increased incidence of overpayment-by-choice if new arrivals choose to purchase housing that is beyond their current means in anticipation of future increases in household income and future inflation. In the case of a local or national recession, these households could experience considerable hardship in maintaining their housing payments and ownership.

TABLE VI-O
HOUSEHOLDS ABLE TO PURCHASE HOUSING

Price of Home	Approx Annual Housing Payments Required(1)	Approximate Required Income To Qualify(2)	% of Moreno Valley Households with Required Income(3)
\$ 75,000	\$ 701/Mo \$ 8,417/Annual	\$25,251	66%
\$ 90,000	\$ 842/Mo \$10,107/Annual	\$33,690	57%
\$100,000	\$ 898/Mo \$ 10,780/Annual	\$35,933	38%
\$125,000	\$ 1170/Mo \$14,037/Annual	\$46,792	28%
\$150,000	\$ 1,409/Mo \$16,905/Annual	\$56,350	25%

(1)- Assumes 10% down, 10% interest, 30 year term; includes property taxes calculated at 1% of property value, insurance at 1% of structure value (75% of property value).

(2)- Assumes housing payments are 30% of annual income.

(3)- Based on Household and Labor Force Analysis Survey, 1989.

As of March 1990, rental costs of recently completed units in Moreno Valley range from \$460 to \$555 per month for a one-bedroom to \$560 to \$695 per month for a two-bedroom apartment or \$775 to \$900 per month for a three-bedroom house. Rents are estimated to have increased 7% per year during the last 2 years (Eaton Group study).

The Southern California Association of Governments (SCAG) uses 30% of household income as the standard maximum that should be for housing in order to avoid overpayment.

Approximately 34.1% of Moreno Valley households earn less than 80% of the County median income (extrapolated at \$32,100 for the average 3.46 person Moreno Valley family, 80% = \$25,700). These lower-income households are the most impacted by higher housing costs.

Income /Rental Gaps	Maximum Low-Income	Maximum Very Low-Income
Annual HH earnings (3.46 Persons)	\$25,700	\$16,050
Maximum monthly income	\$ 2,142	\$ 1,337
Housing Allowance 30%	\$ 642	\$ 401
Type of Unit	2 Bedroom Apt.	2 Bdr. Apt
Average Rent & Utilities (3.46 persons)	\$ 785	\$ 785
Affordability Gap	\$ 143	\$ 384
Percent of Income Paid for housing	<u>36.6%</u>	<u>58.7%</u>
Percent overpayment 6.6% over 28.7% over		

By way of comparison, an individual earning \$8.00 per hour would earn \$1,376 per month and pay approximately \$400 to \$600 in rent and utilities for a studio or one-bedroom apartment, resulting an overpayment of between 0% and 13.6%.

Lower-income, single parent households are the most likely group to experience overpayment for housing. These households are more likely to be renters and to have a female family head. The County Department of Public Social Services 1989 welfare roles indicate that 5,446 single-parent families with a Moreno Valley zip-code received some type of assistance in 1989.

The distribution of very low to upper-income households is determined based upon the median-income level of the region or County. The household income classification displayed in Tables VI-H and VI-I (reprinted below) is used to determine income distribution within Moreno Valley and the County.

TABLE VI-H
MORENO VALLEY AND RIVERSIDE COUNTY
HOUSEHOLD INCOME

Household Income	1986		Estimated 1991	
	Number	%	Number	%
\$ 0 - 9,999	2,826	14.0%	3,543	11.7%
\$10,000 - 14,999	1,918	9.5%	2,513	8.3%
\$15,000 - 24,999	4,379	21.7%	5,693	18.8%
\$25,000 - 34,999	4,016	19.9%	5,511	18.2%
\$35,000 - 49,999	3,834	19.0%	6,238	20.6%
\$50,000 - 74,999	2,442	12.1%	4,481	14.8%
\$75,000 and up	787	3.9%	2,301	7.6%
Total	20,202	100.0%	30,280	100.0%
Median Income	1980	1986	1991	
Moreno Valley	\$16,800	\$27,424	\$31,154	
Riverside County	\$16,037	\$23,932	\$24,170	
Moreno Valley as percent of County	104.8%	114.6%	128.9%	

Source: 1980 Census, CACI Incorporated

TABLE VI-I
INCOME DISTRIBUTION BY CATEGORY, 1986 AND 1991

	<u>1986</u>	<u>Estimated 1991</u>	<u>1986-1991</u>
Very Low (0% - 50% of County median)	3,864 19.1%	4,729 15.6%	865
Low (50% - 80% of County median)	3,065 15.2%	5,075 16.8%	2,010
Moderate (80% - 120% of County median)	4,267 21.1%	5,544 18.3%	1,277
Upper (Over 120% of County median)	9,006 44.6%	14,932 49.3%	5,926
Total	20,202	30,280	10,078

Source: 1980 Census: CACI Incorporated

The California Department of Housing and Community Development (HCD) has stated that overpayment for housing is the most widespread housing problem in the State. Overpayment is also a significant concern in Riverside County and in Moreno Valley.

Table VI-P identifies the number of low and very low income households in Moreno Valley estimated to be paying more than 30% of their gross income for housing. This table is based on 1980 Census data updated to 1989.

TABLE VI-P

HOUSING OVERPAYMENT BY VERY LOW AND LOW
INCOME HOUSEHOLDS IN 1989

Lower Income Households Overpaying for Housing	6,612	
1. Total Very Low Income	4,353	
2. Total Low Income	2,259	
3. Total Renter Households	3,193	
Very Low Income		2,558
Low Income		635
4. Total Owner Households	3,419	
Very Low Income		1,795
Low Income		1,624

Source: Southern California Association of Government,
Riverside County, based on 1980 Census Data

As previously discussed, the high median income of new Moreno Valley households in combination with extremely competitive new home developers and the availability of resale homes in the under \$100,000 price range and the high percentage of owners versus renters makes overpayment less of a problem in Moreno Valley than in many other cities.

Affordable Units at Risk

Over the last 25 to 30 years, various housing subsidy programs designed to make rental housing more affordable included requirements that established rent levels affordable by the low and very low income population. Various projects throughout the Coachella Valley have been built under these programs including Farmers Home Administration (FmHA) Section 515, Federal Housing Administration (FHA) Sections 236 and 221 (d) (3) below market interest rate loans and Housing and Urban Development (HUD), Section 8 new construction and substantial rehabilitation programs. Each program had a limit on the length of time the rent limitations were to be imposed depending upon the nature of the subsidy. Federal and State mortgage revenue bond regulations also imposed a requirement that a certain percentage of the units be rented at affordable levels, and these requirements also had limitations on the number of years they would be in effect.

Over the last few years, the earliest of these rent limitations have begun to expire. This problem, which may result from an early payoff of the loans or merely an "opting out" of the Section 8 contracts, has had significant impacts in communities where it has occurred. The elimination of the rent level restrictions has become particularly attractive over the last two or three years as several independent causes come together. The original owners of many low rent projects were attracted to them because of rapid depreciation which created extraordinary tax shelter benefits. Many of the benefits have expired and the Tax Reform Act of 1986 has also changed the tax consequences of owning residential income property. In addition, many projects were resyndicated after 1981 to take advantage of changes in tax legislation at that time. Most of those resyndications were accomplished through short-term financing with deferred second loans to be paid off upon the expiration of the rent restrictions. In addition, the pressures of growth and the limited availability of rental units have compounded the problem by creating a higher demand for market rate rental units.

Although no units subject to termination are now located in Moreno Valley, the neighboring City of Riverside has 1,088 low-income housing units that are at risk of being terminated before December, 2002, some or all of which units may be terminated by December 1995. This could affect the regional low-income housing supply within the period of the current Housing Element. As the second largest City in Riverside County and as a contiguous jurisdiction to the City of Riverside, it is desirable that Moreno Valley work closely with both the City of Riverside and the County in order to assess and mitigate the potential impact of the loss of these subsidized units. Within the City of Moreno Valley, 60 units of the 384-unit Silverado Village are now reserved as affordable units for lower-income (below 80% of county median) tenants. This agreement was accomplished in 1985 in conjunction with \$14,000,000 in project financing through the State tax-exempt Multi-family bond program. The 10 year affordability agreement will expire in 1995 and should be taken into consideration with the potential termination of Federal subsidies. The Housing Authority of Riverside County owns 70 units of public housing in Moreno Valley. As publicly owned housing, these units are not subject to termination at any future date.

REGIONAL HOUSING NEED ALLOCATION (RHNA)

Under State law, each incorporated city is required to analyze existing and projected housing needs and develop an implementation program for its contribution to the attainment of the State housing goals. In addition, the projected housing need must include a locality's share of regional housing needs. In 1980, AB 2853 was passed requiring all councils of governments to

develop regional allocations of housing needs for all income levels. This includes a determination of current and projected housing needs for the entire County as well as allocated totals of the City and County level. The regional housing determination must be made by the appropriate council of government but may be revised by the local government if the revision can be supported by available data and accepted planning methodologies.

Projecting future needs, even for the relatively short-term future, for a rapidly growing and changing city is even more difficult than estimating current needs. Future needs are made up of unmet current needs plus the needs that will be created by future in-migration, births over deaths, loss of existing units, rising housing costs and changes in the demographic composition of the community.

The Southern California Association of Governments (SCAG) Regional Housing Needs Assessment (RHNA) attempts to predict future population and household growth for the five-year period from 1989 to 1994 (1988 SCAG RHNA). The RHNA forecasts a total housing need of an additional 17,741 units in Moreno Valley, which equates to 20% of the total housing need for Riverside County by July of 1994. The RHNA breaks down this need into additional households, additional vacant units desired and demolition adjustment.

TABLE VI-Q

1989-1994 MORENO VALLEY HOUSING NEED

Additional Households	17,410
Vacancy Adjustment	316
Demolition Adjustment	15
Total 5-Year Need	17,741

Source: 1988 SCAG RHNA

The RHNA also breaks down the total need by units that are affordable to various income categories based on percentage of the County's Median Income (Table VI-R). Of the total Moreno Valley housing needed by mid-1994, 41.7% needs to be affordable to families of low and very low income; 18.5% to moderate income families; and 39.8% to high income families.

TABLE VI-R
1994 HOUSING NEED BY INCOME LEVEL

Very Low Income 0% to 50% of Median	3,375	19.0%
Low Income 50% to 80% of Median	4,023	22.7%
Moderate Income 80% to 120% of Median	3,287	18.5%
High Income More than 120% of Median	7,056	39.8%
TOTAL NEED	17,741	100.0%

Source: SCAG RHNA - 1988

In order to satisfy this housing need, an annual average of 3,548 units (11% of the 1989 Housing Stock) will need to be added to the housing stock between July, 1989 and July 1994. A comparative look at Moreno Valley residential building activity from January, 1986 to September, 1988 (Table VI-N) indicates that housing construction permits were issued at a rate of 3,507 units per year during that period, but overall additions to the housing stock from 1986 to 1989 averaged only 2,974 per year. This indicates that the City of Moreno Valley may have some difficulty in meeting its share of the SCAG Regional Housing Needs, especially in the area of low and very-low income affordable units.

It will be the City's maximum goal to provide for the construction of 3,548 new housing units per year, from July of 1989 to July 1994 (a total of 17,741 units). The City will specifically need to direct its efforts and resources toward the creation of moderately-priced units that are affordable to lower-income households in order to approach the desired ratio of low and moderate income units prescribed by the SCAG RHNA.

HOUSING CONSTRAINTS

The supply of affordable housing for all income levels can be affected by a variety of housing constraint factors. Such factors can be generally classified as governmental and non-governmental constraints. In short, such constraints have an affect on the ultimate cost of housing which must be paid by the renter or owner. Many of these constraints cannot be overcome by local government, particularly those related to the condition of the national economy, but others can be addressed.

GOVERNMENTAL CONSTRAINTS

A variety of local, State, and Federal governmental policies and actions affect the cost and affordability of housing.

Decreasing State and Federal Commitment to Housing

The Federal Government's emphasis on housing policies and funding have shifted with changing administrations and priorities. Over the last ten years, funding for housing and other domestic programs has been sharply cut back. Similarly, State funding for housing programs is also limited. These reductions in funding for housing programs, including new construction, have resulted in a significantly reduced amount of new construction of affordable units.

Conflicting Responsibilities of Local Government

Facilitating the development of low and moderate income housing is only one of the many responsibilities of local governments. A city must also plan for environmental quality, neighborhood character, adequate infrastructure and reflect the concerns of current residents. These other responsibilities may conflict with the provision of low income housing. Misconceptions about low income housing, often thought of as blighted, high-density rental units, contributes to these conflicts. The circumstances which led to the City's incorporation in 1984, which was largely based on citizens efforts to upgrade the standards of new housing and control growth, have also been important in creating the current attitudes toward affordable housing (especially higher density development). A challenge currently facing public officials is balancing their many areas of responsibility and educating the public as to the true nature of affordable housing. Without increased education, neighbors of any proposed affordable housing projects will usually oppose the project, sometimes successfully.

Development Standards

Land use, zoning, and building restrictions are necessary for the orderly development of every city, but they can also often act to reduce the availability of moderate income housing. Minimum lot size requirements, minimum building size requirements, building code provisions, architectural requirements, development fees and other standards raise both the quality and the price of construction for new housing.

The General Plan establishes a policy framework for all development within the City. The Land Use Element of the General Plan designates areas for land use and probable densities at which residential development should be permitted to occur. Therefore, the potential for additional housing is set by the ultimate land use densities and areas designated on the map. The current General Plan land use categories, areas and maximum residential buildout capacity are shown in Table VI-S.

TABLE VI-S
LAND USE CATEGORIES AND HOUSING UNIT CAPACITY

<u>Category</u>	<u>Acres</u>	<u>%</u>	<u>Allowed Density</u>	<u>Max. Unit Capacity</u>
RR	5,500	12.75	depends on topography	500 (est.)
HR	1,947	4.51		400 (est.)
R1	2,201	5.10	1	2,201
R2	4,033	9.34	2	8,066
R3	1,194	2.77	3	3,582
R5	7,753	17.95	4-5	38,765
R10	265	0.61	8-10	2,650
R5/R15	261	0.60	4-15	3,915
R15	123	0.28	12-15	1,845
R20	280	0.65	16-20	5,600
PR	789	1.83	varies	3,945 (estimate)
*SP-Res.	2,695	6.24	7.12	19,190
Non-Res.	1,790	4.15		
OTHER	14,346	33.22		
TOTAL AREA	43,182	100.00%		90,659

*The SP Category includes 303 acres of medium-high and high-density zoning with a maximum unit capacity of 5,239 units.

Total Single Family Land Use (15,181 acres)	52,614 units
Existing units	27,191 units
Estimated Additional Development Capacity	25,423 units
Estimated vacant acreage available	9,000 acres

Source: Moreno Valley General Plan, 1988

A Comprehensive Development Code has been drafted and is scheduled for adoption in 1991. The code incorporates State-mandated requirements and allowances, such as permitting manufactured housing in all single family districts, and will be amended, as necessary, to comply with new State requirements on low-income density bonuses and Emergency Shelter.

The City Development Code allows for construction at maximum densities in R5 thru R20 districts only if the requirements of sufficient infrastructure, compatibility with surrounding area, and either added amenities, affordable housing for low & moderate income households, or housing for special needs groups is provided. Projects in residential 10, 15 and 20 districts may be permitted to exceed the maximum density for senior citizen apartment and congregate care projects (subject to the infrastructure and compatibility requirements).

Based on the current zoning densities, land uses and approved specific plans, the City of Moreno Valley General Plan projects 74,605 dwelling units (58,404 single-family and 16,201 multi-family) within Moreno Valley. This would house a population of 234,000 which is a 130% increase over 1989 levels. At the current rates of growth, and precluding subsequent zoning changes or expansion, buildout would be achieved by about the year 2005.

The availability of vacant or underutilized land within land-use districts designated for high-density development within the City is shown in Table VI-T. If built at the maximum allowable density, these areas could include 8,932 units.

The limited availability of vacant or underutilized land with higher density designations and the relatively low-densities allowed affect the economic feasibility of multi-family rental unit development.

TABLE VI-T
AVAILABILITY OF HIGHER-DENSITY PROJECT SITES

-----*			
Land Use Designation	Total Area	Available Area	Unit Capacity
-----*			
R10	265 acres	22.7 acres	227
R15	123 acres	33.84 acres	507
R20	280 acres	28.72 acres	574
R5-15	261 acres	159 acres	2,385
**SP	303 acres	303 acres	5,239
	---	-----	-----
Total	1,232 acres	547.26 acres	8,932

** Medium High and High density designations within the Moreno Valley Ranch and Towngate Specific Plan areas.

Source: Moreno Valley Planning Dept.

Development Fees and Procedures

Development fees have increased significantly since the passage of Proposition 13 in California. Local governments must balance the need for affordable housing with budgetary constraints and the need for services to be economically self supporting. Development fees within Moreno Valley comprise between 5% and 12% of the cost of new housing, with a greater impact on the final cost of low-cost housing than on higher-priced units. In 1989, the City reviewed its fee structure to determine the ratio of cost to the City of new housing units to fee's collected, particularly in relation to Development Impact Fees. The study demonstrated that the total impact of new housing to the City was \$7,200 per unit. In response to this information the City raised its Development Impact Fee to \$3,100 per unit for single-family units and \$1,600 for multi-family units (with the intention to

periodically review the fees in the future). Total Development Fees currently add between \$8,000 and \$9,000 to the cost of each unit in multi-family residential construction.

The Draft Development Code (scheduled for adoption in late 1991) includes procedures for the efficient and timely processing of permits and approvals as well as appeals and review procedures. It also controls the procedure for condominium and mobile park conversions for the protection of tenants.

Code Enforcement

The Code Enforcement process is another aspect of the balancing of responsibilities to which local governments must be sensitive. Code Enforcement can be an important tool used to require landlords to maintain rental units in habitable condition. It can also result in the loss of low cost rental units if units are "red-tagged" (declared uninhabitable), and the landlord perceives the costs of rehabilitation of such units are not justified by low rental returns. If the units are demolished, the tenants may require relocation assistance. If the property owner chooses to rehabilitate the property, tenants may require relocation assistance until the units are made habitable.

NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints to affordable housing in Moreno Valley include land cost and availability, construction costs and financing costs. The City has relatively little control over these factors. In effect, the influence of these factors on localized housing prices and affordability is dependent upon regional market constraints and opportunities.

Land Costs and Availability

The cost of land has become a significant component of overall housing costs. The accelerated rise in land costs in the Southern California markets is an important reason for the accelerated development of housing in Moreno Valley. Relatively inexpensive land costs made housing more affordable than in Orange and Los Angeles Counties. However, as the demand for housing increases and the supply of undeveloped land decreases, the cost of land goes up.

Raw land costs currently comprise from 10% to 18% of the cost of the typical 1,700 square foot tract-developed single family dwelling in Moreno Valley. An estimated 9,000 acres of residentially-zoned land in the eastern 1/3 of the City (in addition to approximately 4,000 acres of approved

specific planned development) is vacant, suitable for development, and available to meet the housing needs of the City over the next 10 to 15 years.

As discussed in the government constraints section, relatively little vacant land with higher density and multi-family usage designations is available within the City, increasing the price of such land and the over-all cost of rental units that may be constructed. Land for multi-family development currently sells as approximately \$11,000 to \$12,000 per allowed unit.

Construction Costs

The price of new residential units is generally determined between the building industry and buyers by the housing market. Actual construction cost is a factor of current labor costs, material pricing and finance costs, and is estimated to range between \$38 and \$60 per square foot, depending on the extent of architectural detailing and choice of materials. These construction costs reflect a substantial increase since 1975 when per square foot costs ranged around \$18 to \$20. Since the single most important factor in the total construction cost of a new housing unit is size, homes suitable for larger households tend to be more expensive. Another recent local trend is toward "move-up" housing with added features, square footage, and amenities that increase the sales price.

Cost and Availability of Financing

The greatest impact upon the affordability of housing from 1980 to 1985 was the increase in financing costs. Interest rates on mortgages for housing rose to unprecedented heights approaching 18% during the early 1980's. Although the rates receded, they still averaged 14% during 1984. More recently, conventional interest rates have slipped as low as 9% (fixed rate, 30 years with 20% down). However, mortgage interest rates have begun to increase and it remains to be seen where and when they will level off. Currently interest rates on 30 year mortgages range from approximately 10 1/2% to 12 1/2%. Interest rates not only affect the cost of home ownership but also the cost of construction and ownership of rental units. A greater problem in 1990 is the possibility of lenders increasing loan equity ratios (now moving toward 25 percent). First time buyers, will be especially hard-pressed to come up with a larger down payment. Some loan programs are still available with as little as 10% down, but these are increasingly rare. There is no evidence of geographic areas or ethnic groups that are under-served in the financial market, although the general "softening" of

the housing market throughout Southern California during 1990 may effect the availability of financing and lead to more restricted lending in the future.

As lending institutions become more cautious nationally, and Federal regulations become more restrictive, the availability of construction financing has been drastically reduced, even in booming areas such as Moreno Valley. Construction financing for multi-family rental units is particularly scarce in Moreno Valley in mid-1990, since high fixed costs and relatively low densities make smaller units an economically unattractive investment and larger units are not competitive with other types of housing at current prices.

Environmental Issues

Environmental concerns impact housing in several ways in the Moreno Valley area. The topographic concerns of hillside construction create the need for strict land use and zoning requirements, as do floodplain concerns. In an effort to alleviate health and safety hazards generated from construction in these areas, Moreno Valley has provided safe standards for development, including certain density restrictions. Approximately 17.3% of the 43,182 acres within the Moreno Valley sphere of influence have some restriction on housing construction under the Rural Residential, Hillside Residential and Hillside Transition Area Zoning Classifications. The land use categories have, in fact, provided the opportunity to develop in these areas while appropriately addressing environmental and safety concerns, rather than closing them completely to development. An additional 15.8% of the City is designated as hillside or public open space. Development and construction costs on upper hillside sites are more costly for technical as well as density restriction reasons. Therefore, while the availability of these sites may help increase overall housing, it would not aid the development of lower income affordable units.

Economic Market Constraints

The high median household income of families moving to Moreno Valley from other areas, may lead builders and developers toward increased concentration on more profitable higher-priced units, to the exclusion of low and moderate income households. Some indication of this is already apparent in the increased inclusion of luxury features and larger square footage units that are attractive to higher income buyers. By January of 1990, however, there were indications that new homes in the highest price ranges (\$250,000 and up) were not selling well and some developers

were redoing their development plans to include more homes at moderate prices. Lending institutions report that the \$130,000 to \$140,000 range is the most active segment of the new and 1st resale market in Moreno Valley.

The availability of single family homes at competitive prices, in combination with the market profile of new Moreno Valley residents from Orange and Los Angeles County and elsewhere, has kept the rental market relatively unattractive to developers and financing sources (especially for larger apartments).

Discrimination

The degree of impact of discrimination on housing in Moreno Valley and Riverside County is not clear. It can act to exclude racial and ethnic minorities as well as certain other groups facing special housing problems, such as: young single parents, young single adults, families, large families, elderly, and handicapped. Discrimination may force people to live in inadequate and/or substandard housing, in undesirable neighborhoods, or pay a disproportionate amount of their income for housing. Discrimination disproportionately impacts low and moderate income persons who have less economic influence on the housing market and less access to political and legal resources. Fair housing laws such as the 1959 Unruh Civil Rights Act, the 1963 Rumford Act and the 1968 Fair Housing Act have been established to prohibit discrimination on the basis of race, color, religion, sex, national origin, familial status and handicap. The City-funded Fair Housing Program works jointly with the Department of Fair Employment and Housing and HUD regarding the enforcement of these laws.

Discrimination in financing may affect sale and maintenance of housing in older deteriorating neighborhoods and in neighborhoods with high minority concentrations. Lending institutions are often reluctant to finance in these neighborhoods because of the assumed high risk and low value of these units. This adds to the decline of neighborhoods since rehabilitation efforts are critical to these areas. The higher rate of population growth, increasing land values and the creation of a City Redevelopment Area (CRA) which includes the most problematic neighborhoods have served to ameliorate these problems in Moreno Valley in recent years. The continuation and expansion of redevelopment activity is expected to be a major factor in the improvement of these neighborhoods. The Community Reinvestment Act charges local financial institutions with the responsibility of maintaining equitable lending policies to insure non-discriminatory lending practices. Still, absentee landlords often do not make repairs or improvements in these

neighborhoods because of the high risk, low economic returns, and loss of profits and improvements which do not increase rental value are often avoided.

Housing discrimination limits opportunities, denies access and creates unnecessary barriers. Furthermore, it fosters and reinforces fear and the non-acceptance of others. Fair housing is guaranteed by Federal law. It ensures the freedom of choice of housing to all persons in the creation of an integrated society.

Moreno Valley, with its relatively lower home prices, is increasingly attractive to minorities moving from L.A. and Orange Counties in pursuit of the traditional "American Dream" of home ownership and the suburban life style. Newer neighborhoods generally have a mixture of ethnic diversity and better integration from the start due to Fair Housing laws.

ENERGY CONSERVATION

Energy Conservation impacts housing in several ways. In addition to energy requirements related to uses in the home, energy used to travel from home to work, to construct housing, and to support housing services, such as water and electricity, reveal a close relation between energy consumption and housing. Energy conservation can be encouraged and enhanced by efficient land use patterns, code enforcement, building standards, and rehabilitation programs. Some energy conservation improvements can increase the construction cost of new homes. The initial cost of many energy saving devices is prohibitive to most lower and moderate income households and the cost recovery must be amortized over time. When requiring energy conservation measures above and beyond those required by Title 24 and the Building code, the increase in initial purchase price or resulting rental rate must be balanced against the ultimate reduction in monthly utility costs for the resident and the benefit of reduced energy consumption to the community.

Moreno Valley has at least four characteristics that might offer unique opportunity for energy conservation:

1. The geographic location between the desert and the sea, with a mild sunny climate, may offer design opportunities for passive heating and cooling during much of the year.

2. Access to Highway 60 and a considerable number of workers who commute, should be considered an opportunity to reduce transportation energy consumption.
3. A relatively new, fast-growing city may have special chances to create beneficial relationships between housing and employment locations.
4. The high median income and percentage of upper income housing provides a chance to require additional (for a certain percentage of new housing) energy conservation features which are affordable and economically beneficial to upper income home buyers, but would not be possible for lower income households.

The City's development code specifically addresses both active and passive solar energy design.

COMMUNITY PARTICIPATION/ISSUES REPORT

Portions of the Housing Element of the Moreno Valley General Plan were developed as an integral part of the City's first General Plan (adopted September 20, 1988), the result of an extensive program of community participation and professional research and decision making.

Prior to formal initiation of the General Plan Development Program and City Council appointed an 18-member General Plan Advisory Committee to assist in the formulation of the program. Several methods were used to elicit the broadest community participation to identify and evaluate significant community issues, needs and desires. First, a series of six one-evening workshops were held on a City-wide and area basis to explain the process and gain input. In addition, two sets of community interviews were conducted. Twenty-four (24), in-depth "target" interviews were done, including interviews with past and present City Council Members, Planning Commissioners and other key community members. A broader, scientifically-conducted community opinion survey was also made to identify attitudes and desires of the community at large. The results were summarized in the Community Issues Report, which is available under separate cover. Baseline data and research material were collected, evaluated and compiled into the Existing Setting Report. This was followed by a Goals and Objectives Report based on the information and data from the previous reports and input from the Advisory Committee. Three alternative Buildout Scenarios that were consistent with the Goals and Objectives Report were prepared and used in conjunction with the Master Environmental Assessment as the basis for the General Plan.

The General Plan was recommended for adoption by the Advisory Committee on December 6, 1987 and after public hearings before the Planning Commission and City Council, was formally adopted on September 20, 1988. Subsequently, data pertaining to housing and housing needs projections was distilled from the General Plan and other sources including the 1988 Southern California Association of Governments Regional Housing Needs Assessment [SCAG RHNA], to create the basis of the revised General Plan Housing Element. The Advisory Committee was then reconvened to review and comment on the Housing Element as an independent, updated document.

REDEVELOPMENT AGENCY LOW INCOME HOUSING SETASIDE FUND

Since the adoption of a Redevelopment Project Area in December, 1987, of City of Moreno Valley has accrued approximately \$844,000 in its Low Income Housing Setaside Fund. The City policy has been not to utilize these funds until a comprehensive housing plan is in place. Instead the City has continued to use Community Development Block Grant (CDBG) Funds for low-income housing and related programs. The City expects to begin use of the Low Income Housing Setaside Fund in late 1990 on programs to increase the quantity and quality of low-income affordable housing in the City.

The RDA is in the process of developing a comprehensive housing assistance plan to permit the expenditure of monies from the low and moderate Income Housing Fund. The agency has entered into a cooperative agreement with the MVCAAC to examine and evaluate alternative approaches to assist in the furtherance of increasing, improving and preserving this City's supply of low and moderate income housing.

The Moreno Valley Civic Activities Assistance Corporation (MVCAAC) was created in January 1990 and expects to develop a comprehensive housing assistance program under contract to the RDA. MVCAAC is a non-profit public benefit corporation which is intended to assist the City with affordable housing issues. Its stated purpose is "to provide financial and other assistance to the City by acquiring, constructing, rehabilitating, remodeling, improving, installing and financing various facilities, land and equipment, including affordable multi-family and single-family housing projects."

The MVCAAC Board of Directors includes civic leaders from diverse fields. The Board has been asked to recommend a program for the utilization of the financial resources generated by the Low-Income Housing Fund. It is expected that their recommendation may include such uses as:

- 1) Joint ventures with other public and/or private entities to develop low-income housing.

- 2) Leveraging housing fund resources by using them to guarantee housing bond issues.
- 3) The purchase of land for low-income housing construction.
- 4) Rehabilitation of deteriorated low-income housing.
- 5) Incentives to developers that would make low-income affordable housing economically feasible.

It is expected that, based on recommendations of the MVCAAC Board, the City intends to budget the expenditure of Housing Fund resources for low-income housing development programs in 1991. The RDA Low-Income Housing Setaside Fund is expected to have generated a total of more than \$5.5 million by July of 1994 according to the schedule in Table VI-U.

TABLE VI-U
REDEVELOPMENT PROJECT TAX-INCREMENT RECEIPTS TO
LOW-INCOME HOUSING FUND
(RDA 20% SETASIDE)

		<u>Tax Increment</u>	
	Actual Receipts	Projected	20% Setaside
Balance 1988/89*	1,247,969	753,000	249,592
FY 1989/90 YTD	2,972,463	2,298,000	594,493
FY 1990/91		3,615,000	723,000
FY 1991/92		4,856,000	971,200
FY 1992/93		6,665,000	1,331,000
FY 1993/94		8,121,000	<u>1,624,200</u>
Total Projected Setaside Funds			5,493,485

* FY 1988/89 actual figures also include accumulated costs for years prior to 1988/89. All interest calculations reflect a full years impact;

Source: Moreno Valley Redevelopment Agency,
Projections by Katz Hollis

The tax-increment receipts to the Housing Fund may be augmented by revenue from other sources developed by the City, the RDA or MVCAAC programs such as in-lieu fees from developers or other housing programs that may be developed.

POTENTIAL SITES FOR EMERGENCY AND TRANSITIONAL HOUSING

The City has identified the following City-owned locations as potential locations for emergency shelters and transitional housing:

SITE	GENERAL PLAN LAND USE	CURRENT ZONING
Senior Nutritional Center; 13671 Fredrick Street	Public	Public
Graham Street Annex; 12130 Graham	Residential Max. 5 du/ac and threshold 10 du/ac	Public
Edgemont Park	Residential Max 20 du/ac and threshold 10 du/ac	Residential Max du/ac and threshold 10 du/ac
Sunnymead Park	Open Space	Open Space
Locust and Redlands 43-Acre Vacant site	Residential Max 1 du/2.5 ac.	Residential Max 1 du/2.5 ac.

The City has further identified the building at 23700 Sunnymead Blvd. (previously leased by the City for use as the Community Service Center) and the adjacent warehouse as potential sites for emergency or transitional shelters. The area is currently zoned as community commercial and is part of Specific Plan 204.

The City is currently revising its Development Code and zoning to conform with the General Plan. The revised Code will include specific reference to Emergency and Homeless Shelter locations and criteria for conditional use which are standardized, objective and no more restrictive than those of a similar use. It is expected that the Development Code will be discussed in public hearings and adopted by the City Council in early 1991.

ANALYSIS OF PREVIOUS HOUSING ELEMENT (1989 AND 1990)

The City's previous Housing Element took effect with the adoption of the City's original General Plan on September 20, 1988. That Housing Element contained seventeen "actions" to be taken in support of the general Housing Goals enumerated as part of the Community Development Element of the General Plan. The "actions" have been and are being taken by the Planning and Economic Development Departments or others as appropriate and deal primarily with the new development code, economic and financial support and Fair housing issues.

Quantified goals related to Housing were as follows:

Objective 32.0

Provide a wide range of residential opportunities and dwelling unit types at an average annual rate of 1,880 dwellings over the next five (5) years to meet the demands of present and future residents of all socioeconomic groups, and promote the development of an adequate number of new dwelling units which are affordable to very low, low, moderate, and upper income families.

Objective 33.0

Retain at no less than the present levels, approximately 400, the number of subsidized housing units of all types, and expand affordable housing opportunities for low and moderate income households by capturing for the benefits of eligible Moreno Valley residents, 400 new federal housing subsidies over the next five years.

Objective 34.0

Rehabilitate deteriorated dwellings at an average annual rate of 195 dwellings over the next five (5) years.

Actual accomplishments during the two years of the previous housing element include:

Objective 32.0

A total of 3,862 Single Family Dwelling (SFD) building permits were issued in 1989 with an average valuation of \$107,000. No multi-family permits and 6 mobile home permits were issued. The unusually high number of permits taken was a result of builder's anticipation of development impact fees going into effect in 1990. (The City Manager has been authorized to reduce or waive the impact fee for projects which provide exceptional benefits in housing accessibility for lower-income

groups). SFD final inspections totaled 3,081 units. In 1990, final inspections were completed on 2,207 single family dwellings and 41 multi-family units. Building permits were issued for 868 SFD's with an average valuation of \$116,500 and 54 multi-family units with an average value of \$53,250. A variety of residential zoning areas and densities are specified in the General Plan and will be included in the City's revised Development Code. Threshold densities will insure that residential areas are fully utilized. "Planned Unit Developments" are encouraged and four major specific plan developments have been approved, containing a total of 19,190 dwelling units.

Objective 33.0

The Housing Authority of Riverside County reported 209 new Section 8 contracts in Moreno Valley by January of 1990 and a total of 435 leased or subsidized units as of January 1991. The City has successfully cooperated with The East Los Angeles Community Union (TELACU) to obtain HUD Section 202/8 funding for a 75-unit subsidized rental project for seniors. Tenants will pay no more than 30% of gross adjusted income for rent.

Objective 34.0

Thru the use of CDBG funds the City has expended \$10,995 over three years for minor home improvement and repair grants (\$250 maximum) to 69 senior citizen households. An additional \$190,500 was provided in 1989 and 1990 for a City-administered home improvement program offering non-interest, deferred loans of up to \$10,000 to repair lower income owner-occupied, single family homes in identified target areas and a comprehensive procedural manual has been prepared for City Council approval. A rental rehabilitation program is being added in 1991.

Analysis: The two years of activity under the original housing element were largely concerned with the organization and establishment of the housing programs. This was done largely through the City's Department of Economic Development in cooperation with the Housing Authority of Riverside County. A housing specialist was added to City Staff in the last half of 1990 in order to advance these continuing programs.

The use of Redevelopment set-aside funds was impeded by a lawsuit against the redevelopment project which was settled in 1989. Use of these setaside funds is discussed elsewhere in the Housing Element. Low-income Housing Programs were impeded by a lack of Section 8 Rental Assistance allocations and the lack of HUD funding for the Section 312 Rehabilitation Program.

The Planning Department has concentrated its efforts on the creation of a Development Code and Zoning Ordinance for the City. The Development Code is expected to go to public hearings and to the City Council for approval in early 1991. The Riverside County Housing Authority was contracted to administer the City's Fair Housing Program. Most of the required "actions" of the previous Housing Element have been accomplished by these undertakings and are included or expanded in this revised Housing Element.

Quantitative goals of the previous Housing Element were mainly expected to be fulfilled in the later years of the 5-year plan. With the initial programs now established, a housing specialist hired, a new development code adopted, RDA setaside funds available, and additional incentives and requirements to be provided by the revised Housing Element, the effectiveness of the housing programs should increase early in the 5 year time-frame of this Housing Element.

SECTION VI

GOALS, POLICIES AND OBJECTIVES

OBJECTIVES

It is the objective of the City of Moreno Valley to ensure that suitable, decent, safe, sanitary and affordable housing is available to all residents of the City regardless of income. This broad objective will guide the City's actions with respect to housing. The City will endeavor to use its unique situation as a newly incorporated and rapidly growing community to avoid future housing problems by balancing programs intended to meet immediate needs with careful planning to exploit long-term opportunities and potentials. Since the housing industry generally responds quickly to the needs and desires of upper income households, but is less responsive to the needs of lower-income households, the Moreno Valley Housing Element will deal largely with programs designed to insure that the needs of those groups that are disadvantaged in the housing market are met.

The following objectives, in conjunction with General Plan Objective 32.0, are the specific objectives of the Moreno Valley Housing Element:

1. To expand the long-term housing opportunities for all residents of the City by developing new housing in accordance with density, building and environmental standards that is affordable to various income levels.
2. To coordinate City housing programs with other governmental agencies (other Cities, County, State and Federal), the private sector (major employers, developers, realtors) and private non-profit agencies in an effort to achieve balanced regional housing growth within the larger Southern California Community.
3. To provide a full and balanced variety of housing types to meet the diversity of needs throughout the City's residential neighborhoods, in proportion to the needs of the community.
4. To provide appropriate, affordable housing for people with special needs, including the elderly, the handicapped, female headed households, and the homeless.
5. To rehabilitate deteriorating housing throughout the City and prevent further deterioration of affordable units in order to ensure that all housing is safe and sanitary.

6. To eliminate discrimination in housing with regard to race, color, religion, national origin, sex, age, family status, household composition, or sexual preference; and to ensure that equal housing opportunities exist for all groups.

In its efforts to achieve these objectives, the City of Moreno Valley will establish the following Policies and Programs in conjunction with the Policy Statements listed under General Plan Objective 32.0:

POLICIES

References to department actions, where appropriate, will be deemed to include other appropriate action by the City Council, RDA or other body vested with jurisdiction to act on the matter.

- 1.1 The City will utilize its authority, resources and influence to promote the creation and preservation of a variety of housing types, sizes and prices to meet the various needs of a wide spectrum of current and future residents.
- 2.1 The City will strive to ensure that its housing programs are in accordance with area and regional housing needs and that new development includes housing that is appropriate and affordable to all segments of the population including those with special housing needs.
- 3.1 The City will seek to insure that its policies and actions do not create undue governmental constraint on the availability and affordability of housing in Moreno Valley and will seek to mitigate or remove, where possible, such governmental, as well as non-governmental, constraints.
- 4.1 The City will seek to encourage and assist the rehabilitation and maintenance of lower-income affordable housing within the City.
- 5.1 The City will seek to maximize the public benefit of programs designed to increase the accessibility of affordable housing, especially to lower-income and special-needs households, including the homeless and handicapped.
- 6.1 The City shall affirmatively further fair housing throughout the City.

PROGRAMS

Policy

- 1.1 The City will utilize its authority, resources and influence to promote the creation and preservation of a variety of housing types, sizes and prices to meet the various needs of a wide spectrum of current and future residents.

- 1.1.01 The Moreno Valley Civic Activities Assistance Corporation (MVCAAC) will serve under contract to the RDA to develop a comprehensive housing assistance program and recommend a policy for use of the Low-income Housing Setaside Funds. The MVCAAC is chartered to provide financial and other assistance to the City.

Target Dates: Jan., 1991 - incorporation
Oct., 1991 - operational and
financial plan
Jan., 1992 - implementation

- 1.1.02 The RDA Low Income Housing Setaside Fund will be used in a timely manner to finance programs that will maximize the creation, retention and long-term availability of affordable lower-income housing. The Economic Development Department/Redevelopment Agency (EDD/RDA) shall annually specify the program uses to which Housing Fund receipts will be dedicated in combination with funds that may be available from other sources.

- 1.1.03 By March 1, 1992, the Economic Development Department (EDD), in cooperation with the Planning Department will recommend an Inclusionary Housing Ordinance to be adopted by the City that will mandate that all developments which include more than a specified number (to be established) of residential units contribute to the City's balance of affordable housing at all income levels, with the goal that a minimum percentage of all new housing within the City will be affordable to low and very-low-income households. Developers' contributions may be in the form of actual construction of affordable units within the project itself, construction of affordable units at another appropriate location or contribution of appropriate in-lieu fees to the Low-Income Housing Fund.

It is suggested that projects exceeding the inclusionary threshold be required to provide a proportion of their total units in moderate and lower-income affordable housing, with the option to provide a lower absolute number of very-low-income units or higher number of low-

and moderate-income affordable units. The optional in-lieu fee will need to be set at an appropriate rate and could be adjusted with time and experience.

- 1.1.04 The EDD/RDA in cooperation with the Planning Department will develop criteria and control mechanisms that ensure that all housing that is directly subsidized by, or receives substantial economic assistance from the City (including Density Bonuses) in order to achieve affordability goals will remain affordable for the maximum feasible time (if not permanently). Such mechanisms shall be established and agreed upon before direct economic subsidies are granted to any specific project.
- 1.1.05 By July of 1992, the City will have adopted an ordinance or amendment to the Development Code which grants a density bonus of at least 25 percent, and an additional incentive, or financially equivalent incentives, to housing developments which include at least 20% of the units for lower-income households; or 10% of the units for very low-income households, or 50% of the units for senior citizens, under Government Code Section 65915.
- 1.1.06 As an additional incentive to developers who construct the State-mandated ratio of multi-family lower-income, very-low-income or senior housing units under Government Code 65915 and to help make apartments economically competitive in the construction financing market, the City will offer, when required additional incentives of appropriate economic value to the construction of target affordable housing units. These may be in the form of regulatory incentives or concessions or additional density bonuses that result in identifiable cost reductions that are equivalent to an added 25% density bonus.
- 1.1.07 In order to develop, coordinate and monitor the comprehensive housing programs set forth in this element and to ensure timely and effective execution of these programs, the City will provide necessary housing staff. After review of the annual Housing Progress Report (program 2.1.09) to the City Manager may modify program responsibilities in order to effect the most efficient achievement of housing goals.
- 1.1.08 Through economic or non-economic incentives the City of Moreno Valley will stimulate the creation of 350 new mobile home spaces that are affordable to households of low and moderate income by 1995, with the potential for an additional 500 spaces by the year 2000.

The City will encourage the development of additional mobile home and manufactured housing projects through the zoning ordinance and zoning concessions, and/or direct assistance to private or public corporations (whether non-profit or for-profit) in the form of land cost writedowns, infrastructure assistance, site identification and procurement, permit processing priority, or other methods which may be appropriate and feasible.

Policy

- 2.1 The City will strive to ensure that its housing programs are in accordance with area and regional housing needs and that new development includes housing that is appropriate and affordable to all segments of the population including those with special housing needs.
- 2.1.01 The EDD/RDA will work with County, State and Federal agencies and staff to ensure that Moreno Valley's housing programs benefit from any available assistance and that they are an integrated part of meeting regional housing needs.
- 2.1.02 The EDD/RDA, will work to directly subsidize the construction of at least 750 new housing units of various types and sizes that are affordable to very low and low-income households by 1995. This corresponds to 10.2% of the City's identified fair share of regional housing needs of 3,375 very-low and 4,023 low-income affordable housing units.
- 2.1.03 In order to meet the 1994 SCAG/RHNA figures of unmet needs (3,375 units of very low income housing, 4,023 units of low income housing and 3,287 units of moderate income housing, totalling 10,685 units) the City and RDA shall work to facilitate the construction of 2,137 affordable units per year between 1990 and 1995. As a minimum objective, the City, and RDA shall work to construct, subsidize or facilitate the construction of one-third of this annual goal, an objective of 712 new affordable units per year. As a maximum goal, the City shall use 2,137 units per year, the annual unmet need figure for low-moderate income housing, plus an additional 1,412 units per year at upper-income, or market-rate prices.

The EDD/RDA will work with private developers and non-profit organizations to encourage the construction, rehabilitation and/or continued maintenance of affordable housing units that are appropriate to the needs of seniors, handicapped persons, single parent and

female-headed households, and large families, groups that are identified as being a significant numerical component of the Moreno Valley population with special housing needs.

- 2.1.04 The City EDD/RDA will coordinate with the Housing Authority of Riverside County and will support the Authority in its application for Section 8 certificates and vouchers, with the goal of 400 Section 8 contracts in 1990 and such increases as may be available from HUD.
- 2.1.05 The EDD/RDA will provide City support and endorsement for nonprofit organizations seeking Federal or State grants to assist 200 low-income seniors or special needs households annually.
- 2.1.06 The EDD will work with the Department of Planning to develop a public information and education program to begin January of 1992, aimed at increasing public awareness of the need for affordable and special needs housing, what constitutes this type of housing, and appropriate ways of satisfying these housing needs. The program will seek to reduce public misunderstanding and opposition to affordable and special needs housing. A component of the program will also be aimed at increasing knowledge and awareness of affordable housing among City staff.
- 2.1.07 The EDD will evaluate and make recommendations regarding requiring that a portion of the City's General tax revenue generated from new businesses or industries hiring significant numbers of lower-wage workers be dedicated to the creation of lower-income housing that will serve the needs of these employers and employees.
- 2.1.09 The EDD/RDA, in conjunction with the Planning Department, shall prepare an Annual Housing Progress Report to be submitted to the City Council, relating to progress in meeting affordable housing goals and the ratio of affordability of residential construction permits and new housing construction during the previous year.

Policy

- 3.1 The City will seek to insure that its policies and actions do not create undue governmental constraint on the availability and affordability of housing in Moreno Valley and will seek to mitigate or remove, where possible, such governmental, as well as non-governmental, constraints.

- 3.1.01 By July of 1992, the City Planning Department and RDA will complete a review of vacant, developable land and areas with redevelopment potential to determine if sufficient area of appropriate density districts (R-10 thru R-20) is in place to meet the affordable housing needs of the City (as identified in the SCAG RHNA). If insufficient appropriately-zoned area is determined, recommendations will be made to increase the supply of appropriately zoned land available to meet identified RHNA needs.
- 3.1.02 The City/RDA in an effort to reduce the impact of escalating land costs will seek to purchase land to be retained for future affordable housing projects that reserve up to 49% of their units for lower-income households. Funds from RDA, CDBG, Inclusionary Housing In-Lieu fees, or other sources may be utilized.
- 3.1.03 The City Planning Department, in cooperation with EDD/RDA will reduce the impact of construction costs and Development Code requirements on lower-income- affordable housing by developing compensatory economic incentives (and criteria guidelines for project affordability) that will assist in reducing the overall cost of low-income housing by January of 1992.
- 3.1.04 The City will continue to subsidize new low-income rental housing development by maintaining Development Impact Fees for lower-income multi-family rental units at levels that are less than 33% of actual economic impact per unit. Development Impact Fees on single and multi-family units selling or renting at levels above the affordability standards for median income households will gradually be increased until the fees on these higher-priced units cover 100% of the actual economic impact to the City by 1995.
- 3.1.05 The City Manager shall be given the authority to waive all or a portion of Development Impact Fees, if there is determined to be an exceptionally strong benefit in housing accessibility for lower-income and special needs groups.
- 3.1.06 The Planning Department, in cooperation with EDD/RDA, will review the amount, condition and value of vacant land currently zoned to allow the creation of new mobile home park spaces in Moreno Valley by December of 1991. If sufficient appropriate locations are not available for the creation of 800 new mobile home spaces by 1995, the Planning Department will develop a program to increase the appropriately zoned area, or to otherwise provide

sufficient area for the potential development of at least 1600 additional mobile home spaces (conditional use agreements, etc) within the City's housing mix.

- 3.1.07 The City Planning Department will recommend changes to the City Development Code that will specifically include Emergency and Transitional Homeless Shelters in the uses permitted under Section 9.02.020 of the Development Code by July of 1991.
- 3.1.08 The EDD/RDA and Planning Departments will endeavor to spread the cost of required new infrastructure over the widest possible geographic area and time frame through the use of Mello-Roos districts, assessment districts, phased development plans, or other appropriate cost-sharing methods.
- 3.1.09 Conforming manufactured housing will continue to be permitted in all single family residentially zoned areas under the City's Development Code.
- 3.1.10 In order to maintain the beneficial usage of older housing for the maximum economically feasible time, the Planning and Economic Development Departments/RDA, shall develop a Zoning Transition Management Policy (ZTMP) and programs which will ensure that older affordable housing in areas where the current zoning designation is expected to result in an ultimate change of usage remains safe, sanitary, habitable and available for occupation until such time as appropriate replacement units are available and it is necessary to remove the existing housing to make way for other conforming uses. This Policy and the programs to implement it shall be designed and adopted by October of 1991, and may include such elements as maintenance and repair subsidies, use of amendment AB1448 of the California Health and Safety Code to enforce maintenance by landlords, temporary management of units, or other programs that may be appropriate.
- 3.1.11 The Redevelopment Agency shall replace all residential units destroyed by Agency-assisted projects with units of comparable bedroom size and affordability within four years of their removal pursuant to the requirements of State Redevelopment Law. The replacement of such units shall be the first priority for the use of the RDA Low and Moderate Income Housing Fund monies.

Policy

- 4.1 The EDD/RDA will seek to encourage and assist the rehabilitation and maintenance of lower-income affordable housing within the City.

- 4.1.01 The EDD/RDA will coordinate with the Riverside County Housing Authority to participate under the Section 312 program when funding is available to secure the rehabilitation of substandard single family homes occupied by low-income households.
- 4.1.02 The City will continue to utilize CDBG and/or other appropriate funds to assist low-income senior citizens with minor repairs to owner-occupied homes, in conjunction with the Riverside County Housing Authority or other agencies, with the goal of assisting at least 50 households per year.
- 4.1.03 The EDD, CDBG funded Housing Specialist will develop, implement and monitor a CDBG funded Deferred Loan Housing Improvement Program to assist lower-income owner/occupants of single-family homes in rehabilitation of substandard housing conditions, with the goal of assisting at least 10 households per year.
- 4.1.04 The EDD/RDA will work with Riverside County Housing Authority to secure and coordinate the application of HUD-financed Rental Rehabilitation programs (including the Moderate Rehabilitation program) within Moreno Valley, with the goal of rehabilitating 300 lower-income rental units by 1995.
- 4.1.05 The EDD/RDA, in cooperation with the Planning Department, will complete a survey of residential units within the Redevelopment Area(s) of Moreno Valley, identifying low-income affordable and substandard units, and then establish a program or programs that will lead to the replacement or renovation of 5% of these substandard units each year. Survey completion: July 1991; Program initiation December of 1991.

Policy

- 5.1 The City will seek to maximize the public benefit of programs designed to increase the accessibility of affordable housing, especially to lower-income and special-needs households, including the homeless and handicapped.
- 5.1.01 By December 31, 1991, the EDD/RDA will create requirements and control mechanisms that will reserve for lower-income owner or renter households, the benefits derived from direct or indirect incentives provided to the development of lower-income affordable housing through City programs for the longest feasible time

period. These requirements and control mechanisms will be utilized in conjunction with all lower-income single family and multi-family or City-backed housing programs.

- 5.1.02 The City/RDA will seek to leverage funds from the Low-income Housing Setaside Fund and any other sources with other City, County or State programs, and/or with other private non-profit organizations in order to create the maximum number of affordable lower-income units.
- 5.1.03 In order to maximize the availability of housing to lower-income seniors and special needs individuals in Moreno Valley, the City will consider allotting a portion of its CDBG funding to support the administrative expenses and promotion of a Shared Housing Program in conjunction with the Housing Authority of Riverside County.
- 5.1.04 The EDD/RDA shall develop by July of 1992, a program, programs or method of participation in programs with other public or non-profit entities, that will assist families and individuals that are at risk of becoming homeless in an effort to prevent them from becoming homeless, through rent subsidies, job counseling, rental assistance, child care for working parents, or other programs that may be appropriate.
- 5.1.05 The City will meet the emergency shelter needs of the homeless through continued financial support and other appropriate support of local and regional programs that provide emergency shelter and other types of assistance for the homeless of Moreno Valley. Important elements of the City's program will be the assurance of adequate, appropriate transportation services to homeless shelters and support locations which may be located outside the City limits, coordination of various programs from a unified location, cooperation among various providers of homeless services, and preparation for the creation of homeless shelter facilities within Moreno Valley by the year 1998. The City Manager will designate a department to be responsible for meeting the emergency shelter needs of the homeless.
- 5.1.06 The City Manager will designate, by October 1 of 1991, appropriate City staff to work in cooperation with the Housing Authority of Riverside County and the cities of Riverside and Perris (as well as other potentially concerned entities such as the cities of Norco and Corona) to assess the regional impact of impending termination of Federal and other types of mortgage and rental subsidies. By October of 1992 the City will develop a plan to mitigate any negative local effects of

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such terminations over the next 10 years, preferably through co-operation with the other effected jurisdictions to retain or replace terminated subsidies or subsidized units on a regional basis.

- 5.1.07 The Redevelopment Agency shall provide that new housing units created through the use of RDA Low and Moderate Income Housing Fund monies shall be made affordable to low and very low income households in at least the proportions and for at least the time periods required by State Redevelopment Law.

Policy

- 6.1 The City shall affirmatively further fair housing throughout the City.
 - 6.1.01 The City will continue to contract with the Riverside County Housing Authority to operate a Fair Housing Program. The EDD will ensure that a Fair Housing Program is available on an ongoing basis. The EDD shall ensure a Fair Housing Counselor is available to the citizens of Moreno Valley.
 - 6.1.02 The EDD shall work with County, State and local groups to achieve fair housing goals, including increased participation in Voluntary Affirmative Marketing Agreements (VAMA) among Realtors, and affirmative advertising in area newspapers. Timetable: ongoing
 - 6.1.03 The EDD will disseminate information about efforts to eliminate housing discrimination and inform residents of the Fair Housing Program and the Fair Housing Counselor.



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